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Culture and Creative Industries in Germany

Summary

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Research Reports

Culture and Creative Industries in Germany

Summary

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This English version of the summary contains additional information not included in the previously published German summary.

1. Culture and Creative Industries – a Macro-Economic Perspective

1.1 Introduction

In recent years, the discussion on culture and creative industries has attained a high level of public attention in Germany. Culture and creative industries have grown to be more than just an image factor; they are now perceived as an economic branch of its own standing, a permanently established growth industry.

Culture and creative industries are part of a knowledge and content-oriented society and play a ground-breaking role in Germany's way towards a knowledge-based economy.

Future-oriented models of work and business, e.g. hybrid work forms, have prevailed in the culture and creative industries from the start. Furthermore, it is an exceedingly innovative sector, and an important source of genuinely innovative ideas. It mainly produces prototypes, individual works, small scale series and immaterial products. Production and development work is very often project-specific. Almost all companies in the culture and creative industries use modern technologies, especially information and communication technologies. They are not just passive users of technology, but keep providing important impulses for the development of new technological variants for technology producers and developers.

Economic policy geared towards strengthening innovation and economic development in Germany therefore has to include the development of the culture and creative industries as a cross-sectoral branch.

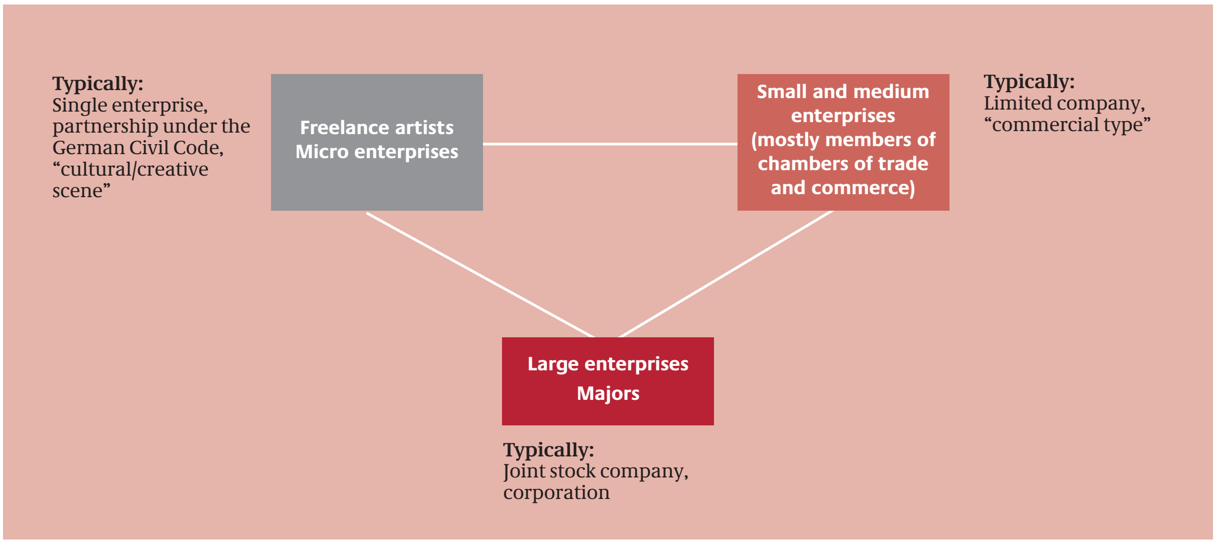
New Aspects in this Study

This study introduces **two important new focal points** to the discussion which were not included in earlier culture industries reports.

Internal segmentation is newly introduced as a basic element for the investigation of culture and creative industries. This means that the complex of branches is determined by the fundamentally different types of enterprises it contains and their specific structural characteristics. Internal segmentation breaks up branches into major companies, small and medium enterprises and micro enterprises or freelance workers. Each of these actors is analysed with respect to empirical data as well as to its structural characteristics.

Furthermore, this study presents **a harmonised basic model for the definition and classification** of the culture and creative industries. This basic model is in line with the stipulations of the Conference of Ministers of Economic Affairs of the German Länder

Internal segmentation – relevant types of actors in the culture and creative industries



Source: Forschungsgutachten Kultur- und Kreativwirtschaft der Bundesregierung 2009 [Research Report on Culture and Creative Industries of the German Federal Government, 2009]

and the results of the "Committee for the Enquiry of Culture in Germany" of the German Parliament. This provides a reliable empirical and quantitative framework for the analysis of the heterogeneous complex of branches that forms the culture and creative industries.

The fact that the three political levels – Federal Government, German Parliament and *Bundesländer* (federal states) – agreed on a common core and a harmonised definition of branches finally made it possible to overcome the previously ambiguous definitions of the culture and creative industries.

1.2 Definition

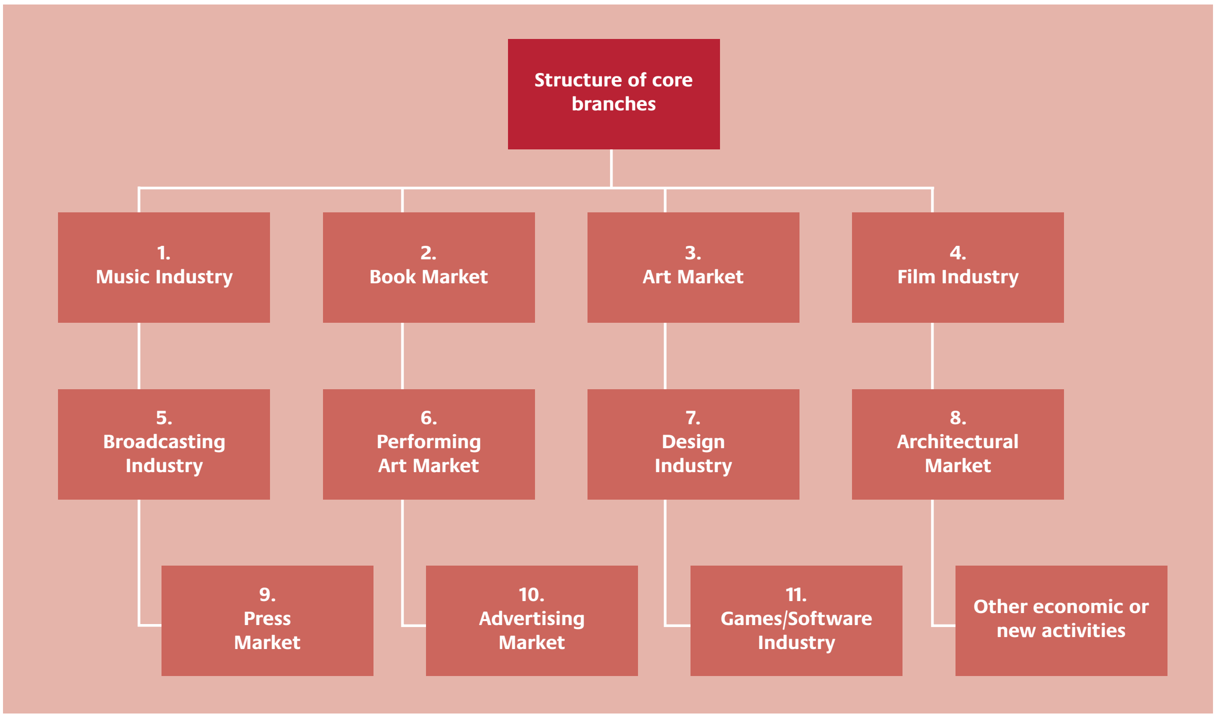
The culture and creative industries comprise of all cultural and creative enterprises that are mainly market-oriented and deal with the creation, production, distribution and/or dissemination through the media of cultural/creative goods and services.

The economic field of the culture and creative industries comprises of the following eleven core branches or market segments: music industry, book market, art market, film industry, broadcasting industry, performing arts market, design industry, architectural market, press market, advertising market and the software and games industry (for the detailed classification of economic activities see definition A. in the annex).

At the core of all cultural and creative activity, there is a creative act ("schöpferischer Akt"). It comprises all the artistic, literary, cultural, musical, architectural or creative content, works, products, productions or services that form the relevant core of the eleven core branches.

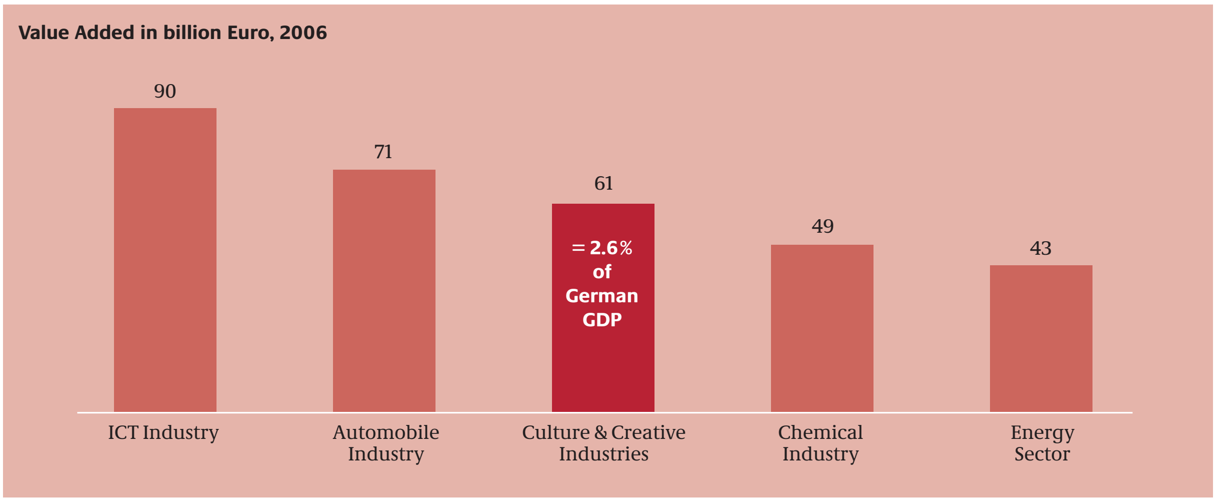
The German classification is compatible with the European core classification of the European Commission as well as with the British concept of creative industries, which has become a globally accepted reference model.

The eleven core branches of the culture and creative industries



Source: Forschungsgutachten Kultur- und Kreativwirtschaft der Bundesregierung 2009 [Research Report on Culture and Creative Industries of the German Federal Government, 2009]

Contribution of culture and creative industries towards value added, comparison of branches 2006



Note: Estimates for the culture and creative industries are based on national accounting figures, in current prices.

Source: Forschungsgutachten Kultur- und Kreativwirtschaft der Bundesregierung 2009 [Research Report on Culture and Creative Industries of the German Federal Government, 2009]

1.3 Economic Facts and Trends

Share in Value Added

The share of the culture and creative industries in the overall value added in Germany in 2006 amounts to 61 billion Euros. This corresponds to a share of 2.6 percent in the gross domestic product. Compared to selected traditional economic branches, e.g. the automotive or the chemical industries, the culture and creative industries occupy a middle range. The automotive industry achieved a gross value added of 71 billion Euro and a share of 3.1 percent in 2006, the chemical industry 49 billion Euro and a share of 2.1 percent. Based on the positive development of employment in the culture and creative industries between 2006 and 2008, conservative estimates come up with a figure of 63 billion Euro of value added in 2008.

Employment

The number of persons employed in the culture and creative industries amounted to 938,000 in 2006 (self-employed persons and employees). This figure rose by more than 30,000 to almost 970,000 in 2007 and continued at the same rate in 2008, reaching a new record level of more than one million persons employed. This means that 3.3 percent of all persons employed in the overall economy work in the culture and creative industries.

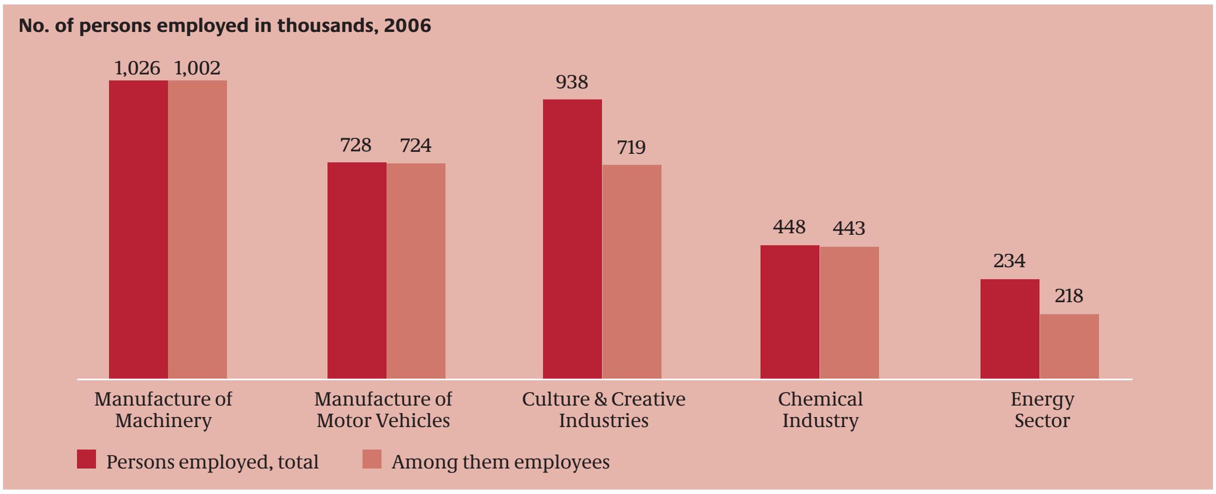
If numbers of employees liable to social insurance deductions are compared, the culture and creative industries take an excellent middle range and, with 719,000 persons employed, almost draw level with the automobile industry with 724,000 employees in 2006. The chemical industry at 448,000 and the energy sector at 234,000 employees show significantly lower absolute figures than the culture and creative industries.

Self-employed Artists

Without the works and achievements of writers, composers, musicians, performing artists, film makers and/or visual artists there would be no culture and creative industries. They are the authors, genuine producers and service providers; without their works, film companies, music corporations, publishing houses and art galleries would have nothing to exploit or disseminate.

Last but not least, self-employed artists live and act in artistic, cultural or creative environments that are characterised by multiple forms of production. This diversity is formed by professionals, semi-professionals and amateurs, outdoing each other in tough, often cut-throat competition.

Employment in the culture and creative industries, comparison by sectors, 2006



Note: Persons employed include self-employed persons according to VAT statistics and employees liable to social insurance deductions according to employment statistics; marginally employed persons are not included.

Source: Forschungsgutachten Kultur- und Kreativwirtschaft der Bundesregierung 2009 [Research Report on Culture and Creative Industries of the German Federal Government, 2009]

The diversity of forms of production is constantly expanded by the use of new technologies, digitisation and the Internet. Freelance arts professions are therefore situated within a complicated economic field and need more attention by economic and cultural policies in the future.

Share of Women

The culture and creative industries are characterised by an above-average share of female employees. There are more women than men in almost all core branches of the cultural and creative branches. Only the software and games industry shows just one quarter of female work places so far.

The share of women in the group of self-employed persons varies between 40 and 44 percent. This share is also very high compared to the share of women employed in the overall economy: here the share of women registered as self-employed amounts to a mere seven percent.

Summary of Empirical Findings

In **2008**, there were **238,000 enterprises and self-employed persons** in the culture and creative industries. Together they produced a **total turnover of 132 billion Euros**, providing about **763,400 full- or part-time work places liable to social insurance deductions**. Including self-employed persons, the

Economic importance of culture and creative industries – key data, 2008

Culture and creative industries	Absolute figures 2008	Share in overall economy 2008	Change against previous year 2008/2007
Enterprises	238,300	7.4%	4.3%
Turnover in billion Euro	131.7	2.5%	1.8%
Persons employed	1,001,700	3.3%	3.4%
Persons employed liable to social insurance deductions	763,400	2.8%	3.1%

Note: All key data are based on preliminary figures and estimates of VAT and employment statistics and national accounting.

Source: Forschungsgutachten Kultur- und Kreativwirtschaft der Bundesregierung 2009 [Research Report on Culture and Creative Industries of the German Federal Government, 2009]

culture and creative industries in Germany **employ about one million persons**. The overall contribution of the culture and creative industries towards **value added in 2008 is estimated at about 63 billion Euros**.

Core branches where **major companies** prevail include the broadcasting industry and the book and press market. Micro enterprises play only a minor role in the press market and in the broadcasting industry.

The most important markets for **micro enterprises** are the art market, the performing art market, the design industry and the architectural market. These are areas where a high proportion of turnover is produced by a great number of micro enterprises, either one-person-enterprises or freelance professionals with average annual turnovers of between 100,000 and 200,000 Euro.

The software and games and the film industry are **balanced core branches**, showing more or less the same turnover shares in all categories of enterprise size.

Core branches with the most dynamic growth trends over the last years include the software and games industry, the design industry, the performing art market and the art market.

For more detailed data on the eleven core branches see the annex.

2. Analysis of Context for Support and Recommendations for Action

2.1 Analysis of Context for Support to the Culture and Creative Industries on the Level of the Federal Government

The relational analysis of existing support programmes for the development of actors in the culture and creative industries on the side of the Federal Government and the identified need for support to the actors in the culture and creative industries show a differentiated result. There are significant differences in the needs structure as well as in the identified support measures between the individual actors in the heterogeneous size classes of enterprises in the culture and creative industries.

Until now, the various branches of the culture and creative industries are addressed quite divergently by the existing support programmes. While technology-oriented branches, notwithstanding their size, are adequately targeted by specific support programmes, this is not sufficiently the case for non-technology-oriented branches of the culture and creative industries.

The gaps in the support structure of the heterogeneous branches of the culture and creative industries must therefore be addressed from the point of view of the different target groups. In order to develop the economic potential of the culture and creative industries in Germany, strategies to address the gaps in the support structure and the existing need for support must be developed on the background of existing support on the level of municipalities, federal states *(Bundesländer)* and other European countries.

Micro enterprises and freelance professionals in the culture and creative industries benefit very strongly from individual, personalised support. At present, improved professionalism is neither supported by market mechanisms nor by support programmes. Due to the great number of these enterprises, an enormous economic potential is left insufficiently exploited. Existing support programmes are often not geared towards the specific characteristics and diverging problems of the culture and creative industries and do therefore not offer the support needed. Lack of information and other barriers often prevent full participation in these support programmes.

Despite a great number of financial support programmes it has to be stated that the specific financing needs of culture and creative industries enterprises are not sufficiently met by existing federal programmes. There are, for example, no support models on the federal level that provide adequate project financing or interim financing tailored to the needs of the culture and creative industries. The development of the economic potential of the culture and creative industries is therefore often hampered by the lack of financing for innovation and growth. Main reasons are to be found in difficulties of investment assessment on the side of the banks, but also on the side of economic support providers. Many economic support providers in Germany have not yet grown accustomed to dealing with enterprises in the culture and creative industries. The assessment of business ideas and the provision of adequate support mechanisms still pose problems and partly prevent the efficient use of existing support instruments.

Defining innovation in the culture and creative industries is another barrier for existing support programmes. The share of “hidden innovations” is particularly high in the creative industries and the service sector in general, which makes it difficult per se to assess innovation activities and effects of enterprises in the culture and creative industries. In many cases, the idea of innovation represented in the support programmes does not correspond to the modes of work and production prevailing in the culture and creative industries. Content-oriented innovation processes for immaterial products or services are often not acknowledged as innovation. A similar situation can be observed in the area of support to immaterial goods. The guidelines for support of the existing support programmes do not allow for the provision of adequate support to immaterial goods and expenses. These, however, are typical for the culture and creative industries.

A lack of sense of belonging, insufficient outside representation of the cross-sectoral branch and a lack of networking put limits to the development of the actors. The "Culture and Creative Industries Initiative" of the German Federal Government addresses these problems and provides new important approaches for the improved development of the industry.

A further field of action for the development of the actors in the culture and creative industries is to establish contacts between the different levels of responsibility on the side of municipalities, cities, federal states *(Bundesländer)* and the micro enterprises with regard to economic and cultural policy support. Considering the fact that the potential of the culture and creative industries for value added has until now scarcely been developed, the development of the economic potential of micro enterprises has increasingly been recognised as being of central importance. The analysis has shown that the optimal development of micro enterprises and their specific support needs requires a stronger guidance of micro enterprises towards the institutional level of the supporting institutions through specific approaches and support programmes. The economic potential of culture industries innovations can be better unfolded through a combination of improving the qualifications of the actors and intermediating between the often hermetically closed structures of culture and economy.

The analysis of the current support measures provided by the Federal Government leads to the identification of three main starting-points:

- New ways and forms of specific support for the culture and creative industries have to be developed.

- There must be some form of intermediation between creative actors and the different support institution in order to render existing forms of support more efficient for the culture and creative industries.

- Existing support programmes of the Federal Government must be made accessible to the culture and creative industries; this refers to formal requirements as well as to content.

The analysis has shown that, from the point of view of the actors in the culture and creative industries, the general framework conditions are decisive factors for the optimal development of the culture and creative industries in Germany. In the framework of this basic study it was, however, not possible to carry out an in-depth analysis of the influences these highly complex framework conditions have on the actors. Future in-depth studies will have to deal with the more detailed discussion, assessment and development of recommendations for action. However, central topics for further research will certainly include education and training, especially training and study courses related to culture and creativity, taxation laws and copyright law. The increasing digitisation of products leads to the growing importance of copyright laws for the business activities and fair remuneration of the actors in vast areas of the culture and creative industries. The immense importance of the German artists' social insurance system has repeatedly been stressed by all actors involved.

2.2 Recommendations for Strategic Action

The culture and creative industries provide an above-average share of job opportunities for service providers, self-employed professionals and freelance workers. The demand for art- and creativity-related content is on the increase. Project-related and networking work forms, which are typical for the culture and creative industries, gain more and more influence in other economic sectors as well, and show the function of the culture and creative industries as a model for a modern form of economy. Based on these trends, the following measures to support the development of the culture and creative industries are recommended:

Make existing support programmes accessible to innovative enterprises from the culture and creative industries

The great importance of the culture and creative industries for the economy in general and its capacity for innovation in particular, as well as its inherent innovative activities demand a stronger inclusion of its enterprises in economic and technological policy programmes. It is recommended that the Federal Government should adapt the formal and content-related requirements of existing support programmes accordingly in order to improve the support to enterprises of the culture and creative industries.

Set up a network of experts to provide advice to actors of the culture and creative industries

The reviewers advise the Federal Government to initiate a network of experts. The task of this network should be to provide advice to the actors of the culture and creative industries. The network should also function as an intermediator for the support institutions at the various administrative levels in Germany. Experts of the network make their knowledge of the sector available to improve the professionalism of micro enterprises through "coaching on the job", for example in order to optimise production processes, tap new markets or develop marketing strategies. The combination of business consultancy and financial support instruments will further contribute to the improved professionalism of micro enterprises in particular.

Define a concept of innovation for the culture and creative industries

The economic development of the culture and creative industries is not only driven by technological innovations; ideas, creative content and non-technological innovations also influence the speed of economic development. All instruments of innovation strategy will be important here in the future. Restricting support to technological innovation will leave a great potential for value added unexploited. The European Commission has launched the European Year of Creativity and Innovation to sensitise for the importance of innovation. This is the implementation of a plan for an "EU Innovation Strategy" which was already discussed and concluded at the summit of heads of states and governments on 15 December 2006. The German Federal Government should consider and use this plan especially with respect to the support to non-technological innovation for the culture and creative industries.

Set up a nation-wide sector platform for the culture and creative industries

The Federal Government should extend the existing "Initiative Culture and Creative Industries" to form a sector platform for the culture and creative industries. This platform should be a central contact point for representatives of branches, regional clusters und providers of economic support as well as for the enterprises of the culture and creative industries. The tasks of this sector platform include initial consultation for the actors, provision of information and regular sector discussions and panels. The sector platform should offer initial consultation adapted to situations and locations for the actors of the culture and creative industries. Freelance workers, enterprises and political representatives can request information about partners and contacts for advice on support measures. A special office will have to be established for this function.

Development of assessment criteria for banks and providers of economic support

In order to improve the financial situation of the culture and creative industries and in order to meet reservations between the creative sector and the banks, cooperation strategies for consultation have to be developed. The Federal Government should, in cooperation with consultants, banks and providers of economic support, develop a manual for the improved inclusion of the culture and creative industries. This manual should address actors at the institutional level who are not yet sensitised. It should provide rules for assessment and recommendations for the special characteristics of business activities in the respective branches of the culture and creative industries.

Extension of federal awards

A further measure should be the extension of federal awards to branches of the culture and creative industries that were previously not included. Alongside the strong marketing and expansion of the companies supported by the federal awards, the Federal Government could further extend existing major support measures to develop markets for the actors of the culture and creative industries.

Extension of support to trade and industry fairs

As an additional measure for systematic support to internationalisation it is recommended to adapt the existing support to trade and industry fairs to the requirements of the culture and creative industries. To provide efficient support to the culture and creative industries, the expenditures eligible for support in the support programmes for trade and industry fairs abroad and the participation of young innovative enterprises in leading international fairs should be adapted. It should, for example, be possible to support the travel activities of artists to perform at trade and industry fairs abroad in the same way that the shipment of material exhibits is supported. It should also be checked whether there are any fairs within the existing programmes that might be relevant for the culture and creative industries.

Further development of programmes with small scale financial support

The Federal Government should adapt existing support programmes of small scale financial support measures, e.g. the KfW Start-Off Money, to the needs of the culture and creative industries. In Germany, a company has to be affiliated to one main bank ("house-bank-principle"), and the requirements of the support programmes resulting from this principle often prevent the participation of culture and creative industries firms. It is therefore recommended that the Federal Government does not insist on this principle any more.

The unbureaucratic allocation of small scale loans of up to 5,000 Euro, for example via the Internet, without the involvement of a main bank, could be another suitable method. The allocation could be done according to an easy allocation procedure, by simply checking commissions, intentions or co-operations. This will simplify the allocation and reduce administrative effort. It would significantly improve the financial situation of micro enterprises in the culture and creative industries, which is mainly dependent on project financing.

Monitoring and continuation of quantitative analyses of the importance of the culture and creative industries

It should be one of the tasks of the Initiative Culture and Creative Industries to observe and document progress and change as well as the existing potential of the culture and creative industries. This sector knowledge is of paramount importance for the profile of a dialogue platform for the culture and creative industries. Analyses and statistical evaluations of national and international specificities of the sector provide important indicators for the way it is perceived. The continuous collection and publication of data on specific characteristics and strengths of the culture and creative industries will make it possible to draw the attention also of traditional economic sectors and of large parts of the general public towards its economic and social importance in Germany and beyond.

Further in-depth analyses to improve the general framework conditions

Within the limitations of this study it was not possible to carry out an in-depth analysis of the influencing factors forming the general framework conditions. The topics identified in this analysis should serve as proposals to be adopted by the Federal Government. However, due to the enormous complexity of the general framework conditions, the assessment of these topics requires further research.

Important topics in the area of general framework conditions to be further investigated include education/training and taxation policies as well as legal and judicial framework conditions, especially in the field of copyright law.

Annex

A. Classification model of the Research Report on Culture and Creative Industries of the German Federal Government and the Conference of Ministers of Economic Affairs – re-arrangement of statistical sub-groups by CORE BRANCHES (WZ 2003)

		Share in %
1. Music Industry		
92.31.5	Activities of own-account composers, arranging of music	
92.31.2	Activities of ballet-companies, orchestras, bands and choirs	
22.14.0	Publishing of sound recordings and printed music	
92.32.1	*Organisation of theatre performances and concerts	
92.32.2	*Operation of opera houses, theatre and concert halls and similar facilities	10% (SVB)
92.32.5	*Technical activities in support of cultural and entertaining services	
52.45.3	Retail sale of musical instruments and scores	
	Total market segment	
2. Book Market		
92.31.6	Activities of own-account writers	
22.11.1	Publishing of books, except directories	
52.47.2	Retail sale of books and technical journals	
	Total market segment	
3. Art Market		
92.31.3	Activities of own-account artists	
52.48.2**	Retail sale of art (estimate)	20% (UST, SVB)
92.52.1	Museum shops (estimate) and organisation of art exhibitions	8% (SVB)
	Total market segment	
4. Film Industry		
92.31.7	*Activities of own-account stage, motion picture, radio and television artists	
92.11.0	Motion picture and video productions	
92.12.0	Motion picture and video distribution	
92.13.0	Motion picture projection	
	Total market segment	
5. Broadcasting Industry		
92.20.0	Radio and television activities	35% (SVB)
	Total market segment	
6. Performing Arts Market		
92.31.7	*Activities of own-account stage, motion picture, radio and television artists	
92.31.8	Activities of own-account performers	
92.31.1	Activities of theatre ensembles	10% (SVB)
92.32.1	*Organisation of theatre performances and concerts	
92.32.2	*Operation of opera houses, theatre and concert halls and similar facilities	10% (SVB)
92.32.3	Operation of variety theatres and cabarets	
92.32.5	*Technical activities in support of cultural and entertaining services	
92.34.1	Activities of dancing schools	
92.34.2	Other entertainment activities n.e.c. (circus, acrobats, puppet theatres)	
	Total market segment	
7. Design Industry		
74.20.6	Machinery and industrial plan design	
74.87.4	Fashion design related to textiles, jewellery, furniture and the like	
74.40.1	*Activities of advertising consultants, window dressing	
	Total market segment	

		Share in %
8. Architectural Market		
74.20.1	Consulting architectural activities in building construction and interior design	
74.20.2	Consulting architectural activities in town, city and regional planning	
74.20.3	Consulting architectural activities in landscape architecture	
	Total market segment	
9. Press Market		
92.40.2	Activities of own-account journalists and press-photographers	
92.40.1	News agencies activities	
22.11.2	Publishing of directories	
22.12.0	Publishing of newspapers	
22.13.0	Publishing of journals and periodicals	
22.15.0	Other publishing	
	Total market segment	
10. Advertising Market		
74.40.1	*Activities of advertising consultants, window dressing	
74.40.2	Dissemination of advertising media and activities of advertising agencies	
	Total market segment	
11. Manufacture of Software and Games		
72.20.1	Publishing of software	
72.20.2	Software consultancy	
	Total market segment	
(-) Other Activities		
92.31.4	Activities of own-account restorers	
92.51.0	Library and archives activities	8 % (SVB)
92.52.2	Preservation of historical sites and buildings	8 % (SVB)
92.53.0	Botanical and zoological gardens and nature reserves activities	8 % (SVB)
92.33.0	Fair and amusement park activities	
	Total market segment	

Notes: *Allocated to more than one market segment. %-share SVB = employment statistics, UST = turnover tax statistics

Source: Forschungsgutachten Kultur- und Kreativwirtschaft der Bundesregierung 2009 [Research Report on Culture and Creative Industries of the German Federal Government, 2009]

Table 1: Culture and creative industries 2006 und 2008, classified by CORE BRANCHES and economic activities

Core branch WZ-2003	Economic Activity	Enterprises[1] Number 2006	Enterprises[1] Number 2008	Turnover[2] in Million Euro 2006	Turnover[2] in Million Euro 2008	Persons employed[3] Number 2006	Persons employed[3] Number 2008
1. Music Industry							
92.31.5	Activities of own-account composer, arranging of music	2,337	2,407	244	249	2,471	2,565
92.31.2	Music and dance ensembles	1,859	1,785	214	214	7,368	7,166
22.14.0	Publishing of sound recordings and printed music	1,478	1,645	1,867	1,724	5,155	5,574
92.32.1	Organisation of theatre performances and concerts	1,268	1,416	1,301	1,388	7,046	6,998
92.32.2	Operation of opera houses, theatre and concert halls and similar facilities	207	213	334	327	3,347	3,436
92.32.5	Technical activities in support of cultural and entertaining services	1,358	1,711	381	460	3,677	4,835
52.45.3	Retail sale of musical instruments and scores	2,291	2,170	1,051	1,079	5,920	6,022
	Total	**10,798**	**11,346**	**5,392**	**5,442**	**34,984**	**36,595**
2. Book Market							
92.31.6	Activities of own-account writers	5,915	6,474	456	464	6,179	6,783
22.11.1	Publishing of books, except directories	2,674	2,723	10,294	10,824	43,136	39,850
52.47.2	Retail sale of books and technical journals	5,049	4,904	3,993	3,952	32,182	32,268
	Total	**13,638**	**14,101**	**14,743**	**15,240**	**81,497**	**78,901**
3. Art Market							
92.31.3	Activities of own-account artists	8,039	8,733	713	752	9,489	10,095
52.48.2	Retail sale of art (estimate)	2,003	1,864	588	573	3,670	3,549
92.52.1	Museum shops (estimate) and organisation of art exhibitions	943	1,031	466	603	2,090	2,184
	Total	**10,985**	**11,628**	**1,767**	**1,928**	**15,249**	**15,827**
4. Film Industry							
92.31.7	Activities of own-account stage, motion picture, radio and television artists	8,924	9,793	754	786	10,369	11,355
92.11.0	Motion picture and video productions	6,600	7,175	3,788	3,585	30,682	31,978
92.12.0	Motion picture and video distribution	1,145	1,049	1,621	1,753	3,641	3,779
92.13.0	Motion picture projection	985	981	1,446	1,512	9,158	9,126
	Total	**17,654**	**18,998**	**7,609**	**7,637**	**53,850**	**56,238**
5. Broadcasting Industry							
92.20.0	Radio and television activities	889	954	7,426	7,879	22,133	22,497
	Total	**889**	**954**	**7,426**	**7,879**	**22,133**	**22,497**
6. Performing Arts Market							
92.31.7	*Activities of own-account stage, motion picture, radio and television artists	8,924	9,793	754	786	10,369	11,355
92.31.8	Activities of own-account performers	531	609	36	37	626	710
92.31.1	Activities of theatre ensembles	108	121	41	44	1,233	1,234

Core branch WZ-2003	Economic Activity	Enterprises[1] Number 2006	2008	Turnover[2] in Million Euro 2006	2008	Persons employed[3] Number 2006	2008
92.32.1	*Organisation of theatre performances and concerts	1,268	1,416	1,301	1,388	7,046	6,998
92.32.2	*Operation of opera houses, theatre and concert halls and similar facilities	207	213	334	327	3,347	3,436
92.32.3	Operation of variety theatres and cabarets	203	209	74	75	807	937
92.32.5	Technical activities in support of cultural and entertaining services	1,358	1,711	381	460	3,677	4,835
92.34.1	Activities of dancing schools	1,522	1,640	198	209	3,020	3,398
92.34.2	Other entertainment activities n.e.c. (circus, acrobats, puppet theatres)	3,199	3,798	1,036	1,169	6,774	7,406
	Total	**17,320**	**19,509**	**4,154**	**4,496**	**36,899**	**40,308**
7. Design Industry							
74.20.6	Machinery and industrial plan design	3,455	4,248	680	821	8,683	10.032
74.87.4	Fashion design related to textiles, jewellery, furniture and the like	13,445	14,707	1,595	1,599	19,133	21.051
74.40.1	Activities of advertising consultants, window dressing	21,828	23,254	12,594	13,805	92,331	101.331
	Total	**38,728**	**42,209**	**14,869**	**16,225**	**120,147**	**132.414**
8. Architectural Market							
74.20.1	Consulting architectural activities in building construction and interior design	34,124	36,842	6,246	6,438	84,251	88.624
74.20.2	Consulting architectural activities in town, city and regional planning	3,132	3,621	626	698	9,425	10.111
74.20.3	Consulting architectural activities in landscape architecture	2,481	2,828	414	436	5,950	6.364
	Total	**39,737**	**43,290**	**7,287**	**7,572**	**99,626**	**105.098**
9. Press Market							
92.40.2	Activities of own-account journalists and press-photographers	16,615	19,792	1,197	1,309	18,174	21.372
92.40.1	News agencies activities	801	759	804	797	7,201	7.860
22.11.2	Publishing of directories	169	184	1,102	1,129	3,701	4.533
22.12.0	Publishing of newspapers	700	696	10,617	10,459	50,971	49.461
22.13.0	Publishing of journals and periodicals	1,732	1,708	10,172	9,832	36,759	37.718
22.15.0	Other publishing	2,900	2,890	3,419	3,463	7,554	7.692
	Total	**22,917**	**26,029**	**27,312**	**26,990**	**124,360**	**128.636**
10. Advertising Market							
74.40.1	*Activities of advertising consultants, window dressing	21,828	23,254	12,594	13,805	92,331	101.331
74.40.2	Dissemination of advertising media and activities of advertising agencies	17,679	17,266	13,203	13,487	49,690	50.382
	Market segment total	**39,507**	**40,521**	**25,797**	**27,292**	**142,021**	**151.714**

Core branch WZ-2003	Economic Activity	Enterprises[1] Number 2006	2008	Turnover[2] in Million Euro 2006	2008	Persons employed[3] Number 2006	2008
11. Software/Games Industry							
72.20.1	Publishing of software	641	696	751	610	1,090	1.373
72.20.2	Software consultancy	35,078	40,144	23,352	25,851	304,715	343.725
	Total	**35,719**	**40,840**	**24,103**	**26,461**	**305,805**	**345.098**
(-) Other activities							
92.31.4	Activities of own-account restorers	1,266	1,388	136	153	2,671	2.697
92.51.0	Library and archives activities	74	85	20	22	1,037	1.007
92.52.2	Preservation of historical sites and buildings	65	76	24	27	188	173
92.53.0	Botanical and zoological gardens and nature reserves activities	300	349	209	201	770	820
92.33.0	Fair and amusement park activities	3,364	3,317	894	922	13,576	11.604
	Total	**5,069**	**5,215**	**1,283**	**1,325**	**18,242**	**16,301**
*Core branches with double count		**252,961**	**274,642**	**141,742**	**148,486**	**1,054,813**	**1,129,629**
*Sum of economic activities with double count		33,585	36,386	15,364	16,767	116,770	127,954
Culture and creative industries overall (excluding double counts)		**219.376**	**238,256**	**126,378**	**131,720**	**938,043**	**1,001,674**
Share in overall economy		*7.1 %*	*7.4 %*	*2.6 %*	*2.5 %*	*3.2 %*	*3.3 %*

Notes: * Economic activities are allocated to several core branches. **Economic activity estimated at a share of 20 percent.
1 Taxable enterprises include all freelance and self-employed entrepreneurs with a taxable turnover of at least EUR 17,500 per annum.
3 Persons employed include all self-employed persons and employees liable to social insurance deductions; marginal employment is excluded.

Sources: Destatis, Federal Agency for Employment, Forschungsgutachten Kultur- und Kreativwirtschaft der Bundesregierung 2009 [Research Report on Culture and Creative Industries of the German Federal Government, 2009]

B. Classification Model of the “Committee for the Enquiry of Culture in Germany” of the German Parliament

The basic model of the culture and creative industries according to the classification by STATISTICAL SUB-GROUPS and economic activities (NACE Rev. 1, WZ 2003)

NACE Code 2 digits	NACE/WZ WZ-no. 3 digits	NACE/WZ WZ no. 4 digits (partly 5 digits)
22 – Publishing, printing and reproduction of recorded media	**22.1** – Publishing	22.11 – Publishing of books 22.12 – Publishing of newspapers 22.13 – Publishing of journals and periodicals 22.14 – Publishing of sound recordings 22.15 – Other publishing
92 – Recreational, cultural and sporting activities	**92.1** – Motion picture and video activities	92.11 – Motion picture and video productions 92.12 – Motion picture and video distribution 92.13 – Motion picture projection
	92.2 – Radio and television activities; Production of Radio and tele-vision programmes	92.20 – Radio and television activities; Production of Radio and television programmes
	92.3 – Other entertainment activities	92.31 – Artistic and literary creation and interpretation 92.32 – Operation of theatre, opera and musical houses, technical support to cultural activities 92.34 – Other entertainment activities n.e.c.
	92.4 – News agency activi-ties; own-account journalists	92.40 – News agency activities; own-account journalists
	92.5 – Libraries, archives, botanical and zoological gardens	92.51 – Library and archives activities 9231 92.52 – Museums activities and preservation of historical sites and buildings
52 – Retail Trade	**52.4** – Other retail sale	52.47 – Retail sale of books, newspapers and stationery 52.45.3 – Retail sale of musical instruments and scores 52.47.2 – Retail sale of books and technical journals 52.48.2 – Retail sale of art (excluding antiquities, carpets, stamps, coins and gifts)
74 – Other business activities	**74.2** – Architectural and engineering activities and related technical consultancy	74.2x – Architectural activities 74.20.1 – Consulting architectural activities in building construction and interior design 74.20.2 – Consulting architectural activities in town, city and regional planning 74.20.3 – Consulting architectural activities in landscape architecture
	74.8 – Miscellaneous business activities n.e.c.	74.8x – Design activities 74.20.6 – Machinery and industrial plan design 74.40.1 – Activities of advertising consultants, window dressing 74.87.4 – Fashion design related to textiles, jewellery, furniture and the like
	74.4 – Advertising	74.20.2 – Dissemination of advertising media (advertising consultancy included in design)
72 – Computer and related activity	**72.2** – Software/Games	72.2 – Development and publishing of software

Note: German definition of the cultural sector excluding WZ-no. 36.3 Manufacture of musical instruments, WZ-no 22.3 Reproduction of recorded media. WZ 2003 = German Classification of Economic Activities. Based on NACE Rev. 1 = “Nomenclature statistique des Activités economiqyes das la Communauté Europeenne” – Statistical Classification of Economic Activities in the European Community (**Source**: Arbeitskreis Kulturstatistik).

Source: Enquetekommission Kultur in Deutschland, Abschlussbericht, 2007, S. 376 [Committee for the Enquiry of Culture in Germany, Final Report, 2007, p. 376]

Table 2: Culture and Creative Industries 2006 Classified by STATISTICAL SUB-GROUPS

(Suitable for international or regional comparisons where a division into core branches is not possible)

	Enterprises[1] Number 2006	Turnover[2] million Euro 2006	Persons employed[3] Number 2006	Employees[4] Number 2006	Marginally employed[5] Number 2006	Side jobs[6] Number 2006
Group 1: Publishing/sound recording						
22.1 Publishing	9,653	37,472	147,276	137,623	62,433	19,646
Group 2: Film Industry						
92.1 Motion picture and video production and distribution; motion picture projection	8,730	6,855	43,481	34,751	12,643	5,822
Group 3: Broadcasting Industry						
92.1 Radio activities, production of Radio and TV programmes	889	7,426	22,133	21,244	586	353
Group 4: Artists' and other Groups						
92.3 Other culture and entertainment activities	40,100	6,812	78,653	38,553	14,698	6,924
Group 5: Journalists/News Agencies						
92.4 News agencies activities, activities of own-account journalists	17,416	2,000	25,375	7,959	2,163	964
Group 6: Museum Shops, Arts Exhibitions						
92.5 Library, archives, museums, botanical and zoological gardens	1,382	719	4,085	2,703	378	93
Group 7: Retail sale of cultural goods						
from 52.4: Other retail sale	9,343	5,632	41,772	32,429	12,323	3,005
Group 8: Architectural Market						
from 74.2: Architectural and engineering activities and related technical consultancy	39,737	7,287	99,626	59,889	13,858	5,594
Group 9: Design Industry						
from 74.8: Miscellaneous business activities	38,728	14,869	120,147	81,419	29,141	12,124
Group 10: Advertising Market*						
74.4 Advertising	39,507	25,797	142,021	102,514	80,907	25,003
Group 11: Manufacture of software/games						
72.2 Software consultancy and supply	35,719	24,103	305,805	270,086	20,372	10,960
Culture and Creative Industries	**219,376**	**126,378**	**938,043**	**718,667**	**222,970**	**79,442**
Share in Overall Economy	*7.1%*	*2.6%*	*3.2%*	*2.7%*	*4.6%*	*4.2%*

Notes: *Economic activity advertising design allocated twice, but only included once in total sum. Red figure calculated excluding public institutions and non-profit enterprises and originations.

1 taxable enterprises,
2 taxable enterprises with annual turnover of 17,500 Euro and more,
3 self-employed persons and employees liable to social insurance deductions,
4 employees liable to social insurance deductions,
5 excluding marginally employed persons,
6 marginally employed persons in side jobs.

Sources: Destatis, Federal Agency for Employment, Forschungsgutachten Kultur- und Kreativwirtschaft der Bundesregierung 2009 [Research Report on Culture and Creative Industries of the German Federal Government, 2009]

C. Classification Model of the European Commission

Statistical Classification of the Cultural Sector in Europe. Classification of the European Commission according to the official European Classification of Economic Activities NACE Rev. 1

Nace 2-digits	Nace 3-digits	Inclusion in the cultural field
22 – Publishing, printing and reproduction of recorded media	**22.1** – Publishing	Yes
	22.2 – Printing and service activities related to printing	No
	22.3 – Reproduction of recorded media	No
92 – Recreational, cultural and sporting activities	**92.1** – Motion picture and video activities	Yes
	92.2 – Radio and television activities	Yes
	92.3 – Other entertainment activities	Yes
	92.4 – News agency activities	Yes
	92.5 – Library, archive, museums and other cultural activities	Yes
	92.6 – Sporting activities	No
	92.7 – Other recreational activities	No
74 – Other business activities	74.1 – Legal, accounting, bookkeeping and auditing activities; tax consultancy; market research and public opinion polling; business and management consultancy; holdings	No
	74.2 – Architectural and engineering activities and related technical consultancy	Direct estimation*
	74.3 – Technical testing and analysis	No
	74.4 – Advertising	Yes
	74.5 – Labour recruitment and provision of personnel	No
	74.6 – Investigation and security activities	No
	74.7 – Industrial cleaning	No
	74.8 – Miscellaneous business activities not elsewhere classified.	Yes

Note: *As the NACE nomenclature doesn't allow isolating architectural activities from engineering activities and related technical consultancy, the DEPS used estimator calculated from professional sources. European definition of cultural sector without NACE-code 52.47 Retail sale of books, newspapers and stationery, code 36.3 Manufacture of musical instruments, 22.3 Reproduction of sound, video, computer media recording. NACE Rev. 1 = "Nomenclature statistique des activités économiques dans la Communauté Européenne" – Statistical Classification of Economic Activities in the European Community).

Sources: European Commission, "The Economy of Culture in Europe", (Study, October 2006) acc. to: EU Cultural Statistics/Task Force Employment/EUROSTAT and French Ministry of Culture/Research Department DEPS

Table 3: Cultural Employment in Europe, 2005, comparison of European countries (EU-27) plus Croatia, Iceland, Norway, Switzerland

	Cultural employment 2005	
	% of total employment	Workers (1000s)
EU 27	2.4	4,940
1. Netherlands	3.8	306
2. *Iceland	3.8	6
3. Sweden	3.5	154
4. Finland	3.3	79
5. Estonia	3.2	19
6. United Kingdom	3.1	870
7. Denmark	3.0	82
8. Germany	2.8	1,004
9. Latvia	2.7	28
10. *Switzerland	2.7	105
11. Ireland	2.5	48
12. Lithuania	2.5	36
13. Austria	2.4	89
14. Malta	2.3	3
15. Slovenia	2.3	22
16. Cyprus	2.2	8
17. *Norway	2.2	48
18. Belgium	2.1	88
19. Greece	2.1	92
20. Spain	2.1	390
21. Italy	2.1	464
22. Hungary	2.1	80
23. Czech Republic	2.0	94
24. France	2.0	488
25. *Croatia	2.0	30
26. Bulgaria	1.8	53
27. Luxembourg	1.8	4
28. Slovakia	1.8	40
29. Poland	1.7	231
30. Portugal	1.4	70
31. Romania	1.1	98
EU 27 plus *Iceland, *Switzerland, *Norway and *Croatia	-	5,129

Note: Cultural employment covers both cultural occupations in the whole economy and any employment in cultural sectors of the economy (cultural economic activities). Cultural occupations are professional activities with a cultural dimension, such as librarians, writers, performing artists, architects, etc. The occupation is defined as a subset of the ISCO classification. All these occupations are taken into account, whatever the main activity of the employer. Cultural activities are defined as a subset of the NACE classification, and include e.g. publishing, motion picture and video activity, wholesale and retail of cultural goods. In these activities, all employment is taken into account, whatever the occupation (artistic, technical, administrative, managerial), because they are all required for the operation of the "cultural industry".

Source: Eurostat (2007): Cultural statistics. The cultural economy and cultural activities in the EU 27, press release 29/10/2007

D. New Statistical Classification 2009 of the culture and creative industries in Germany according to the new classification of economic branches (WZ 2008) (or European NACE Rev. 2)

(Valid for all data evaluation starting from 2009 as far as data and statistics are available in the new classification.)

Definition of the Arbeitskreis Kulturstatistik e.V. according to the official German classification of economic branches (WZ 2008)

WZ no. 2 digits	WZ no. 3 digits	WZ no. 4 digits (partly 5 digits)
Publishing sector		
58 – Publishing activities	58.1 – Publishing of books, periodicals and other publishing activities (excluding software)	58.11 – publishing of books 58.12 – Publishing of directories and mailing lists 58.13 – 58.13 – Publishing of newspapers 58.14 – Publishing of journals and periodicals 58.19 – Other publishing activities (excluding software)
Film industry		
59 – Motion picture, video and television programme production, sound recording and music publishing activities	59.1 – Motion picture, video and television programme production, sound recording and music publishing activities cinemas	59.11 – Motion picture, video and television programme production activities 59.12 – Motion picture, video and television programme post-production activities 59.13 – Motion picture, video and television programme distribution activities (excluding video rental stores) 59.14 – Motion picture projection activities
Manufacture of sound storage media/publishing of music		
	59.2 – Sound recording and music publishing activities	59.20 – Activities of sound-recording studios and production of taped radio programming, publishing of sound recordings and printed music 59.20.1 – Activities of sound-recording studios and production of taped radio programming 59.20.2 – Publishing of sound recordings 59.20.3 – Publishing of printed music
Broadcasting Industry		
60 – Programming and broadcasting activities	60.1 – Radio broadcasting 60.2 – Television programming and broadcasting activities	60.10 – Radio broadcasting 60.20 – Television programming and broadcasting activities
Cultural economic branches		
90 – Creative, arts and entertainment activities	90.0 – Creative, arts and entertainment activities	**90.01 – Performing arts** 90.01.1 – Activities of theatre ensembles 90.01.2 – Activities of ballet companies, orchestras, bands and choirs 90.01.3 – Activities of own-account performers and circus groups 90.01.4 – Activities of own-account stage, motion picture, radio and television artists and other performing arts activities 90.02 – Support activities to performing arts 90.02.0 – Support activities to performing arts **90.03 –Artistic Creation** 90.03.1 – Activities of own-account composers, arranging of music 90.03.2 – Activities of own-account writers 90.03.3 – Activities of own-account visual artists 90.03.4 – Activities of own-account restorers 90.03.5 – Activities of own-account journalists and press photographers 90.04 – Operation of arts facilities 90.04.1 – Organisation of theatre performances and concerts

WZ no. 2 digits	WZ no. 3 digits	WZ no. 4 digits (partly 5 digits)
		90.04.2 – Operation of opera houses, theatre and concert halls and similar facilities 90.04.3 – Operation of variety theatres and cabarets
Libraries/Museums		
91 – Libraries, archives, museums botanical and zoological gardens	91.0 – Libraries, archives, museums botanical and zoological gardens	91.01 – Libraries and archives activities 91.02 – Museum activities 91.03 – Operation of historical sites and buildings and similar visitor attractions
Trade of Cultural Goods		
47 – Retail trade, except of motor vehicles and motorcycles	47.6 – Retail trade of published products, sports equipment and toys	47.59.3 – Retail sale of musical instruments and scores 47.61 – Retail sale of books 47.62.1 – Retail sale of newspapers, journals and periodicals 47.63 – Retail sale of music and video recordings 47.78.3 – Retail sale of arts objects, paintings, craftworks (excluding stamps, coins and gift articles)
Architecture		
71 – Architectural and engineering activities; technical testing and analysis	71.1 – Architectural and engineering activities and related technical consultancy	71.11 – Architectural activities 71.11.1 – Consulting architectural activities in building construction 71.11.2 – Consulting architectural activities in interior design 71.11.3 – Consulting architectural activities in town, city and regional planning 71.11.4 – Consulting architectural activities in landscape architecture
Design		
74 – Other professional, scientific and technical activities	74.1 – Studios for textile, jewellery, graphic and related design	74.10 – Activities of textile, jewellery, graphic and related design 74.10.1 – Activities of industrial, product and fashion design 74.10.2 – Activities of graphics and communications designers 74.10.3 – Activities of interior decorators 71.12.2 – Engineering activities for projects in specific technical fields and engineering design (partly)
Advertising		
73 – Advertising and market research	73.1 – Advertising	73.11 – Advertising agencies 73.12 – Media representation
Software/Games		
	58.2 – Publishing of software	58.21 – Publishing of computer games 58.29 – Publishing of other software
	62.0 – Computer programming, consultancy and related activities	62.01 – Computer programming activities 62.01.1 – Web-page design and programming 62.01.9 – Other software development

Notes: WZ 2008 = German classification of economic branches, based on European NACE Rev. 2 = “Nomenclature statistique des Activités économiques dans la Communauté Européenne” – Statistical classification of economic activities in the European Community, 2008 edition.

Source: Arbeitskreis Kulturstatistik e.V.

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