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Dynamics and differences across creative industries in the UK: exploring the case of Birmingham.

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Abstract

The creative industries (CIs) have been the centre of attention of a wide range of academic research and policy interventions in the UK in the last ten years. The paper aims to critically explore differences emerging across a range of CIs sub-sectors within the DCMS definition and to assess their diversity in reference to performance, business dynamics and support infrastructure. Many authors tend to address the CIs as a coherent sector and although many studies have exposed the dynamics which characterise different sub-sectors they rarely present a systematic overview. The present paper draws on a series of original quantitative and qualitative data collected through an extensive survey of creative industries in Birmingham, UK to identify similarities and differences within the CIs. It considers to what extent it is useful to speak of creative sub-sectors as one or on the contrary more attention should be paid to the different dynamics across them.

Keywords: creative industries. Business dynamics. Creative economy. Public support.

1 Creative industries: what's in a word?

The concept of "creativity" and its various declinations – creative class, creative economy, creative industries, and creative cities – have been subject of much research and intervention in the last decade. In particular, it has been strongly connected with economic performance, entrepreneurialism and urban and regional development (FLORIDA, 2002; JAYNE, 2005; LEADBEATER; OAKLEY, 1999). Despite a whole decade of policy documents (UNITED KINGDOM, 1998; 2008; 2009) and academic contributions (PRATT, 1997; HIGGS; CUNNINGHAM, 2008), the definition of the creative industries (CIs) still remains problematic.

Academic research has made meaningful progresses in trying to understand what can and should be included in the 'creative' sector of the economy (HIGGS et al., 2008) . While there is a certain pressure in identifying boundaries and size of the sector - as well as comparing national statistical data and frameworks - very little attention has been

directed towards understanding what are the similarities and differences which characterise the variety of activities and sub-sectors which make up the CIs.

While CIs have been defined in both policy statements and academic literature, it is interesting to analyse these definitions as all of them underline different aspects and issues, which needs to be investigated and understood. On the policy side, the most famous and quoted definition is the one from the DCMS (UNITED KINGDOM, 1998) Mapping Document, where creative industries are defined as “those activities which have their origin in individual creativity, skill and talent and which have the potential for wealth and job creation through the generation and exploitation of intellectual property”. For Cunningham (2002) this approach valuably creates a focus on commercial or marketable aspects and potentials of these industries, particularly in relation to their export profile and international promotion. For other authors, the focus is on the intellectual property aspects inherent to these industries - as Garnham (2005) suggests it is very much an ‘information society industries’ definition. In addition, Flew (2002) states how many definitions carry an element of *ad hocery* and pragmatic approach: the inclusion of certain creative sub-sectors respond to the new re-branding of the country as ‘Cool Britannia’ (OAKLEY, 2004; MCGUIGAN, 1998).

Both commercial and subsidised creative sub-sector “deal in symbolic value whose ultimate test is within a circuit of cultural value which, whether mediated by market or bureaucracy, relies on a wider sense of it as meaningful, pleasurable, beautiful” (O’CONNOR, 1999). Banks et al. (2000) suggest that the common denominator for creative industries is the production of goods and services whose primary value derives from their aesthetic attributes. Nevertheless, as other authors suggest in the contemporary economy - where aesthetic connotations become valuable selling points of most consumers goods - this is not an exclusive prerogative of CIs (SCOTT, 2004; LAWRENCE; PHILLIPS, 2002).

As suggested, the definition of the CIs provided by the DCMS has created lots of criticisms and issues in terms of its limitations and implications. One of the first polemics came in fact from criticising the collection of different fields and sectors put together and the incompatibility and limits of a general policy intervention. As Jeffcutt and Pratt (2002) suggests “there is not one cultural industry, there are several. Each industry has its own ecology of labour market and contracting networks. The cultural industries are best described as a sector, or a production system” (JEFFCUTT; PRATT, 2002, p. 228). Many authors state that the sector itself can be seen as an incoherent collection of different industries but somehow there are a series of common features which bound them together.

Oakley (2004) suggests that the 1998 DCMS definition has done a lot to put the sector high on the political agenda. On the contrary, it seems to run the risk of indistinctly merging together very different industries. In fact, within this definition it is possible to recognise sub-sectors which are extremely risky while others are less, some sub-sectors

(such as visual art) only require individual creativity while in others (like for instance architecture) creative outcome needs lots of investments and people to come to life.

With the new definition, there has also been a belief that the boundaries between commercial and non-commercial sub-sectors would be overcome and where the CIs were portrayed as a new way to reconcile culture and economy. For example, O'Connor (1999) suggests that for some creative entrepreneurs see "making money and making culture seen as the same activity".

Cunningham (2003, p. 6) suggests, in fact, that the reason behind the success of the concept of creative industries is linked to the fact that it brings together two key areas of contemporary policy interests. On one hand, the definition addresses the high-growth of new technologies and R&D sectors – i.e. the "production side of the new economy" – on the other hand, it raises issues of cultural identity and social inclusion, which can be considered as the "consumption side of the new economy". This, however, creates contradictions and conflictual dynamics when public funding and policies aim to be beneficial to organisations with very different business practice and objectives.

Furthermore, the willingness to use the sector as a policy instrument is confronted with some issues when trying to a coherent and unbiased measure of its importance. Taylor (2006) notes that the issue of advocacy is the most important limitation in analysing the data about CIs "current data collection and analysis exercises are still trapped within an advocacy purpose that inhibits the development of a fuller sense of the potential contribution of either the arts or the creative industries sector" (TAYLOR, 2006, p. 12)

Recently more focus has been directed towards the commercial CIs and aspects of economic performance. The 'Creative Economy Programme' was launched in 2005 by the DCMS and tried to address gaps and perspectives for the economic growth for the sector by producing new evidence (see for example, FRONTIER ECONOMICS, 2009). New emphasis of the sector as being strongly linked to the wider innovation and knowledge economy framework have emerged (THE WORK FOUNDATION, 2008).

From this brief overview, it is clear that trying to examine the creative sub-sectors and their different business dynamics and performances critically raises some issues in terms of the design of the policy directed at these industries. Ultimately, some unanswered questions remain: what is the importance and relevance of grouping together different sectors under the label 'creative industries'? In which way this definition, which has been around now for more than ten years, enhance our understanding of the sector and the way it relates to public investment and economic performance?

The next section summarises our answer to these questions so far.

2 Emerging differences & limited understanding

The emergence of different dynamics across different creative sub-sectors is acknowledged by many authors, from different perspectives. In academic research there is a strong tendency to analyse individual sub-sectors, by often adopting a clustering approach (see Chapain and Comunian, forthcoming for a review) or looking at their supply-chains or specific characteristics. This is the case of Film and Media (COE, 2000; TUROK, 2003); Design (CREIGHT-TYTE, 2005); Advertising (GRABHER, 2001); Software and New Media (PRATT, 2000; CHRISTOPHERSON, 2004); Music (BROWN et al., 2000; GIBSON, 2005); Arts and Craft (MCAULEY; FILLIS, 2005). However, these individual studies have often been used to establish some general characteristics of the CIs as a sector with elements of shared practices.

Highlighting the difficulty in capturing the dynamics of the sector, early research (JEFFCUTT; PRATT, 2002; SCOTT, 2004) have focused on the different size of companies in the CIs as a response to specific characteristics of the market and the production process. In this understanding, the majority of creative firms are small or micro-enterprises often quite young, that tend to be involved with the content origination, whereas the firms that financially dominate the market are a small number of major transnational corporations, which tend to control the distribution and the intellectual property rights. The differences in firms' structures across different creative sub-sectors then impact the sub-sectors economic performance.

In fact, as portrayed by the national statistics of the sector (UNITED KINGDOM, 2009) there are very different economic performance dynamics emerging across creative sub-sectors. While the sector as a whole is seen as vital and its GVA has been growing by 4% in the period 1997-2006 (higher than the overall growth of the GVA of the UK economy in the same period at 3%), this growth varies across sub-sectors. While some creative sub-sectors are growing rapidly (Software, computer, games and electronic publishing being the strongest sector with a growth percentage of 8%), most sectors are growing at a lower pace compared with the overall economy. For example, Advertising, Architecture, Publishing and Radio & TV have only increase their GVA by 2% and the GVA for Music, Visual and Performing Arts has remained the same. Similar disparities can be found when looking at employment growth across creative sub-sectors: while employment in Software, Computer, Games & Electronic Publishing and Design & Designer Fashion has increased by 5% in the period 1997-2007, employment in Video Film and Photography did not experience any significant growth and employment in Publishing shrunk.

This brief national statistical analysis highlights different economic performance across creative sub-sectors and advocates for the need to investigate why these differences emerge and how, if possible, they can be addressed. Oakley (2006, p. 271) suggests that "the economic potential of these activities, in terms of employment and growth, are more likely to be met by a focus on those high growth activities in the creative content production". In the present paper we argue for the need to understand the differences

not only between high-growth sectors and lagging sectors, but also differences across business dynamics and practices in order to provide a more solid base to our understanding of the sector.

A related dimension emerging from this is the design of local, regional and national policy towards a sector that comprises such a variety of organisational structures and economic performance. Although the development of the CIs have been included under the mission of the DCMS much of the policy implementation and support have been delivered regionally – often through Regional Development Agencies (RDAs) - or at the city level (JAYNE, 2005). Oakley (2006, Table 1) presents an overview of these regional interventions, highlighting not only the multiple definitions CIs co-existing at different levels of policy interventions but also the fact that different regions present different sub-sectoral focus. This translates in a very patchy understanding of what CIs are and how they can be supported. While regional and local policies would often used the CIs national framework, their intervention are often targeting specific creative sub-sectors in different ways. While this might be efficient in terms of delivery, these practices provides very little support to the consideration of the 'creative industries' as a whole.

In order to shed some light on the way creative sub-sectors operates at local and regional levels, this paper uses original quantitative and qualitative data produced for Birmingham in the West Midlands. After briefly presenting the creative profile of Birmingham , the methodology used to capture the data is explained. Results are then discussed under four main headings: 1) definitions, legal status and business framework; 2) product, processes and innovation; 3) understanding performance and challenges; 4) diverse role of public support and local and regional infrastructure. Under these headings potential differences across creative sub-sectors are discussed.

These results show the relevance of moving towards an understanding of the routes or processes through which different creative sub-sectors operate and develop locally and regionally in order to develop an appropriate support framework.

3 Birmingham & the West Midlands as case study: a policy approach

Birmingham as a case study for this research displays similar dynamics of many of the UK core-city regions, investing in cultural and economic regeneration but often struggling to emerge economically in the national map (CHAPAIN; COMUNIAN).

Birmingham, with one million inhabitants, is the second city in England and is located at the heart of England in the West Midlands region. City of the industrial revolution and of the canal and railway ages, Birmingham was neither a major town nor a religious centre in pre-industrial times. Its rapid expansion during the industrial revolution (perhaps partly assisted by the absence of vested interests from the pre-industrial era) meant that, with the exception of London, it had overtaken longer established cities in size and importance by the twentieth century. The city like the region has been severely affected by continuous and continuing restructuring and de-industrialisation over the last thirty

years, brought about by low productivity and strong overseas competition in the manufacturing industries. The 1970s and 1980s saw a major decline in manufacturing in the West Midlands, and the city of Birmingham was severely affected. In order to cope with this economic challenge, an ambitious strategy of economic regeneration transformed the industrial/financial/service base of Birmingham in the 1980s and 1990s. The city is now described as young, ethnically diverse and growing economically, but still facing challenges in terms of social deprivation.

In relation to the creative industries it is important to provide an overall profile of the city and region. There were 27,500 jobs in the creative industries in Birmingham in 2006. This represented 5.6% of the local employment. The most important creative sectors in terms of jobs were Architecture, Arts and Antiques and Software. When compared with the national average, Birmingham displays higher concentrations of jobs in Advertising, Architecture and Radio and TV. Birmingham also concentrates a high proportion of firms in the jewellery sector.

When looking at policy framework established around culture and the creative economy and economic development it is important to consider at least two different scales: the regional framework – specifically around the work of the RDA “Advantage West Midlands” – and the city framework – around the activities of the Birmingham City Council.

Brown et al. (2007) review the policy development in Birmingham and the West Midlands since the national election of the New Labour Party in 1997. There exist a wide variety of instruments promoting regional specialisation and cluster in Birmingham and the West Midlands.

At the national level, the UK government has put a lot of emphasis on the creative economy as well as the development of clusters in the last 10 years. With the introduction of the regional development agencies, this national economic agenda has been brought forward at the regional level through the regional economic strategy and the regional cultural strategy (table 1).

The Regional Cultural strategy published in 2001 and refreshed in 2005 also recognises the importance of the cultural and creative industries to both the urban and rural economies of the West Midlands, and their role in urban regeneration. The strategy gives prominence to developing a strong cultural input into the Regional Spatial Strategy and Local Development Frameworks (UNITED KINGDOM, 2005). ‘*Growing the Cultural Economy In the West Midlands*’ published in 2007 (UNITED KINGDOM, 2007) was a significant addition to the literature and the evidence base, as it provides for the first time, qualitative and quantitative data showing the direct and indirect importance of culture to the regional economy, in terms of its effects on the economic competitiveness and regeneration of the West Midlands region.

The creative agenda has also been taken into account at the local level in Birmingham’s planning and economic strategies (table 1). The creative industries have been identified as major growth sector for Birmingham. The local vision is to foster the growth of these

industries and to develop some parts of the city as prestigious, internationally renowned creative quarters and centres of excellence as well as leading edge clusters of knowledge-intensive industries (BROWN et al., 2008).

Nationally, this policy focus has resulted in the creation of 166 organizations to support the creative industries in terms of education and skills, diversity, competition and intellectual property, business support and access to finance, technology and infrastructure in the West Midlands (RESEARCH HOUSE, 2006).

Table 1: Key local, regional and national policies and strategies impacting on knowledge and creative industries, innovation and cluster Birmingham and the West Midlands from 1998 to 2008.

<p>National level</p>	<p><i>Knowledge economy, cluster and innovation</i> 1998: Our Competitive Future: Building the Knowledge Driven Economy 2003: A regional perspective on the knowledge economy in Great Britain. 2003: Competing in the global economy: the innovation challenge 2003: A practical guide to cluster development 2008: Science and Innovation White Paper – Innovation Nation</p> <p><i>Creative industries</i> 1998: Creation of the Creative Industries Task Force 1998: Creative Industries Mapping Document 2000: Creative Industries Exports: Our Hidden Potential 2000: Creative Industries: the Regional Dimension 2002: Culture and Creativity: the Next Ten Years 2005: Creation of the Creativity Economy Programme 2008: Creative Britain: New Talents for the New Economy</p>
<p>Regional level</p>	<p>1999/2003/2007: The West Midlands Economic Strategy 2001/2005: West Midlands Regional Cultural Strategy 2007: Growing the Cultural Economy In the West Midlands 2007: Screen Image and Sound Cluster Plan 2008-2011 2008: Interior and Lifestyle Cluster Plan 2008-2011</p>
<p>Local level</p>	<p>2002: Birmingham Creative City Strategy 2004: Developing Birmingham – an Economic Strategy for the City 2005-2015 2001/2006-2007: Birmingham Cultural Strategy 2006: Birmingham Prospectus</p>

Source: The authors

In policy terms, some of the regional frameworks for support have been implemented through the establishment of regional clusters; some of them cover some creative sub-sectors. The four regional most recent cluster plans for 2008-2011¹ all include initiatives

¹ Interiors and Lifestyle Cluster Plan 2008-2011 at <http://www.advantagewm.co.uk/working-with-us/business-clusters/interiors-and-lifestyles.aspx>; the ICT Cluster Plan 2008-2011 at <http://www.advantagewm.co.uk/working-with-us/business-clusters/ict.aspx>; Screen, Image and sound Cluster Plan 2008-2011 at <http://www.advantagewm.co.uk/working-with-us/business-clusters/screen-image-and-sound.aspx>; and the Business and Professional Services Cluster at <http://www.advantagewm.co.uk/working-with-us/business-clusters/specialist-business-and-professional-services.aspx>.

aiming to reinforce networking between businesses as well as higher education or research institutions. This is the case of the *Creative Hub* located at the Custard Factory in Birmingham which supports the networking and clustering of over 300 creative businesses in the eastern part of Birmingham City Centre. Same for *Net Infinity*, now the *Interior and Lifestyle Cluster Networks*, whose objective is to support a range of collaborative activities fostering relationship between businesses and the knowledge base or the *West Midlands Information Communication Technologies Cluster* which regroups universities, research centres, national skill organisations, etc. and private actors.

In Birmingham, organisations with a specific focus on the City economy prevail over those with a regional approach, although the latter have increased their influence in recent years, most notably with the establishment of the Regional Development Agency (BROWN et al., 2007). There is a well established tradition of institutional collaboration and partnerships in Birmingham, with most local organisations working with one, or more, other organisations, usually in conjunction with Birmingham City Council, for the delivery of economic development activities (COULSON; FERRARIO, 2007). This partnership working can be traced back to the early 1970s where the City Council and the Chamber of Commerce developed their collaboration to build and manage some of the event facilities that were at the heart of the local regeneration process. These partnerships are complex, sometimes involving several public and private sector organisations. The reasons for interactions vary from exchange of information, advice, common projects and financing issues (administering grant aid and funding) (COULSON; FERRARIO, 2007).

There are two partnerships for the cultural and creative industries: *Creative Birmingham Partnership Board* (CBPB) and *Birmingham Cultural Partnership* (BCP), both of which are briefly described below. The *Creative Birmingham Partnership Board* was formed in mid 2004 and brings together all the key public agencies investing in the creative and cultural sector in Birmingham. It is a strategic level body composed of policy-makers and creative industries experts with a mission to 'nurture creative and cultural enterprise to demonstrably position and promote Birmingham as the leading creative economy in the UK regions by the end of 2008' (Marketing Creative Birmingham, 2004:8). On the other hand, the *Birmingham Cultural Partnership* is responsible for the City's Cultural Strategy and is a partnership of City Council heads of cultural services, and representatives of the key cultural agencies and non-departmental public bodies.

There also exist some bottom-up initiatives in terms of networking. This is the case of the *Creative Republic* which regroup people working in the creative and cultural industries and whose aims is representation, lobbying, networking and commissioning research for the sector. This is also the case of the *Producer Forum*, which regroups producers with a track record in screen based media and film in the West Midlands and which offers networking events and training for the professionals in the industry.

In addition to these local and regional networks and partnerships, other initiatives have aimed to foster research and innovation in the creative industries by linking research

institutions and businesses. This is the case of The Jewellery Industry Innovation Centre (JIIC), part of The Birmingham City University's School of Jewellery, is another example and was set up to assist the jewellery and silversmithing industries with new technology applications.

All these local and regional initiatives aiming to support networking between private actors and between private and public institutions seem to have created some positive synergies in some sectors and less in others as expressed in recent interviews with creative and knowledge managers in Birmingham conducted for ACRE. Most creative and knowledge people in Birmingham and the West Midlands know each other but collaboration is very much dependent on the characteristics of each sector, for example the presence of influential national actors (BROWN et al., 2008, p. 97).

4 Methodology & sample description

The findings presented in this paper are drawn from a research project (Birmingham, West Midlands) commissioned by Birmingham City Council and formed part of the European Research Development Fund's *Creative Knowledge Creative Companies* (CKCC) programme. The research was carried out to provide policy makers and practitioners in Birmingham and beyond with a better understanding of the growth dynamics of the creative industries in the city by looking at their business profile, firm performance, firm history, products and processes, customers, knowledge inputs, skills and training, support and co-operation and business support (BURFITT et al., 2005).. The research was phased within the overall CKCC programme and conducted between 2002 and 2005.

The creative industries researched were drawn from the wider DCMS definition (UNITED KINGDOM, 1998) but were regrouped in seven sub-sectors to ease the analysis and to better reflect the type of activities present in Birmingham. The seven sub-sectors considered were:

- Design & Visual Arts: including visual arts, architecture and design;
- Screen Media & Radio: including TV, Radio, Film and Video;
- Performing Arts & Music: including dance, theatre and music;
- Craft & Jewellery;
- Publishing: including newspapers, book and journals;
- Software: including web design, interactive leisure software, software and computer services;
- Advertising.

The survey sample was drawn from the Birmingham Company Information System (BCIS) database compiled by Birmingham Chamber of Commerce. Around 1328 business sites were identified from the database after a screening process. Based on this sample a target response grid stratified proportionately by sub-sector and firm size was constructed. A survey company, Bostock Marketing Group, was contracted to undertake

the telephone interview programme. This work was conducted throughout May and June 2004. Some 349 telephone interviews were completed, a response rate of 26.3%. Some discrepancies between the target and achieved grids have resulted in the use of a proportional weighting system across the responses based on firm size. The questionnaire covered nine main themes including: business profile, firm performance, firm history, products and processes, customers, knowledge inputs, skills and training, support and co-operation and business support.

In order to complement and enhance the telephone survey of firms, a total of thirty-one firms were interviewed from the 350 firms surveyed. Interviews were conducted with firms of different sizes and activities for every sub-sector (Table 2). Topics discussed during the interviews were similar to the survey and included origins of the firm, activities, business models and markets, inputs in terms of knowledge and skills, cooperation and collaboration, prospects and pressures and public support. Interviews were completed through Autumn 2004 to Spring 2005.

Table 2: Sub-sectoral Case Studies

Sub-sectors	Number of case studies
Design & Visual Arts	5
Screen Media & Radio	3
Performance Arts & Music	5
Craft & Jewellery	5
Publishing	4
Software	4
Advertising	5
TOTAL	31

Source: The authors

Before introducing some of the key results and data collected it is important to understand the nature and characteristic of the respondents.

The differences in firms' size are quite important. As the literature suggests small and micro-size companies are over represented in the CIs and this is reflected in the profile of our respondents. Although this is relevant across the whole sector we can notice that this is more present in sectors like Software, Screen Media & Radio, Publishing and Advertising. As expected, over 80% of firms in the survey were of micro (1 to 5 people) and small sizes (6 to 10 people). There are slightly larger proportions of medium and large firms in Software, Screen Media & Radio, Publishing and Advertising (table 3).

The sector is dynamic (table 3). A majority of firms are less than 15 years old, except in Crafts and Jewellery. The high majority of companies started in Birmingham and are businesses with a single site. Financial turnover varies across sub-sectors: Performance Arts and Crafts and Jewellery sub-sectors are at the lower end of the turnover spectrum whereas Screen Media & Radio and Advertising sub-sectors are at the higher end.

Table 3: Overview of the profile of responding firms (%)

	Design & Visual Arts	Screen Media & Radio	Performing Arts & Music	Craft & Jewellery	Publishing	Software	Advertising	Average
Created 1995 and onwards (%)	37.0	52.6	54.2	29.2	46.2	68.8	43.5	47.6
SIZE - 1-5 people (%)	79.5	63.2	85.7	72.3	58.5	71.6	68.2	73.1
SIZE - Over 50 people (%)	1.4	15.8	2.0	3.1	9.8	3.7		4.0
Started in Birmingham (%)	89.2	94.7	93.9	96.9	87.5	93.8	86.4	92.3
Business with a single site (%)	89.0	85.0	93.9	96.9	82.5	87.7	87.0	89.7
Turnover less than 100K (%)	56.7	30.8	85.7	62.2	50.0	51.7	25.0	57.2

Source: The authors

Note: In bold the values above the average.

5 Analysis

5.1 Definitions, legal status and business framework

One of the first challenges when studying the CIs as a sector relates to the way it is defined by the DCMS and specifically how different sectors identify themselves to this definition. Although the DCMS does not seem to define what kind of company or organisation is to be included according to their legal status or business classification, these differ widely across sub-sectors. For example, sole traders are over represented in sub-sectors like Visual Arts, Performing Arts & Music and Craft & Jewellery while there are high proportions of private limited companies in Screen Media & Radio, Software and Advertising (Table 4A). In addition, public sector organisations account for 5% to 10% in Performing Arts & Music and Screen Media & Radio.

We found similar differences when we look at the business classification of firms across sub-sectors using the 1992 Standard Industrial Classification (SIC). Creative firms classify themselves generally under three main categories: business services (46.7%), manufactures (28.7%) or other community, social and personal activities firm (18.9%). Nevertheless, each sub-sector is largely concentrated in one of these activities. Therefore, very different sub-sectors' profiles emerge (Table 4B): business services predominate within Design & Visual Arts (72.6%), Software (88.9%) and Advertising (95.5%). Manufacturing is the sector that Publishing (90%) and Craft & Jewellery (84.6%) strongly identify with whereas other community, social and personal activities is the sector that includes most of the companies within Screen Media & Radio (73.7%) and Performing Arts & Music (87.8%).

This variation in terms of industrial classification emerges also from the qualitative interviews:

"We are a non-profit organisation. We have a board of directors, it's a voluntary board."
(Performing Arts organisation)

"I was a one person start-up and became a company limited by in 1995."
(Performing Arts organisation)

Table 4: Business classification and legal status by creative sub-sectors (%)

	Design & Visual Arts	Screen Media & Radio	Performing Arts & Music	Craft & Jewellery	Publishing	Software	Advertising	Average
A) Firm Legal Status								
Sole trader	45.8	17.6	42.9	45.2	23.7	25.0	13.6	34.2
Partnership	18.1	5.9	26.2	14.5	13.2	8.8	13.6	14.7
Private limited company	34.7	70.6	19.0	40.3	57.9	65.0	68.2	47.7
Public limited company	1.4	5.9	9.5	0.0	2.6	1.3	0.0	2.4
Co-operative	0.0	0.0	2.4	0.0	0.0	0.0	4.5	0.6
B) Firm Standard Industrial Classification (92)								
Manufacturing	6.8	5.3	2.0	84.6	90.0	2.5	0.0	28.7
Business services	72.6	15.8	4.1	12.3	10.0	88.9	95.5	46.7
Community, social and personal activities	8.2	73.7	87.8	0.0	0.0	3.7	0.0	18.9
Other	12.3	5.3	6.1	3.1	0.0	1.2	4.5	4.9

Source: The authors

Note: In bold the values above the average.

These differences reflect a variety of missions and organisational structures. For example, an emerging difference which needs to be understood in the sector is the relation between private sector organisations and public sector companies. The importance in some sub-sectors of public and not for profit organisation may be in opposition to the strong business driven focus attributed to these industries in economic strategies. Moreover, the fact that some sub-sectors are closer to manufacturing and other to services alludes to different business processes and practices and where their turnover is coming from. These are explored in the next section.

Table 5: Business sectors' affiliation of firms by creative sub-sectors (%)

Business Sector				
Creative sub-sector	A private sector business	A public sector business	A voluntary sector business	A charity
Design & Visual Arts	100.0	0.0	0.0	0.0
Screen Media & Radio	93.3	0.0	6.7	0.0
Performing Arts & Music	75.9	0.0	11.1	13.0
Craft & Jewellery	96.9	1.5	1.5	0.0
Publishing	97.5	0.0	0.0	2.5
Software	100.0	0.0	0.0	0.0
Advertising	96.9	3.1	0.0	0.0
Average	94.5	0.6	2.6	2.3

Source: The authors

Note: In bold the values above the average.

5.2 Product, processes and innovation across sectors

If we want to uncover the way products and processes come about in the different creative sub-sectors, it seems important to start from an overview of the inputs used by creative companies. To do so, the survey questioned the companies on the origin of their turnover. Overall, sales of services are the primary source of income in most creative sub-sectors, except for Craft and Jewellery and Publishing. This shows a strong connection between the creative economy and the service sector. Public grants are relevant for few of the sectors, but are significant for Screen Media & Radio and Performing Arts & Music (Table 6).

Table 6: Origin of annual turnover by creative sub-sectors (%)

Origin of annual turnover						
Creative sub-sector	Sale of goods	Sale of services	Public grants	Private grants	Donations	Other
Design & Visual Arts	23.7	75.7	0.4	0.2	0.0	0.0
Screen Media & Radio	15.8	64.5	8.8	1.0	1.4	3.8
Performing Arts & Music	13.8	66.8	13.0	4.2	2.2	0.0
Craft & Jewellery	77.5	22.5	0.0	0.0	0.0	0.0
Publishing	55.2	41.9	1.1	0.0	1.9	0.0
Software	23.4	71.2	1.3	0.4	0.0	0.0
Advertising	7.2	92.8	0.0	0.0	0.0	0.0
Average	34.1	59.9	3.1	0.8	0.7	0.3

Source: The authors

Note: In bold the values above the average.

These diverse profiles in terms of the origin of turnover are also linked to what are the most important client groups for the different sub-sectors (Table 7). In general, the most important customers for all creative sub-sectors are other firms. The only exception to this is for Performing Arts & Music, where the predominant client is the general public (42.5%). While small and medium size enterprises are the major client group for Design & Visual Arts, Crafts and Jewellery and Software companies, some companies in Publishing, Advertising and Software deal with mostly with more with large private corporations. The public and voluntary sectors are significant clients only for some companies in Design & Visual Arts, Screen Media & Radio and Advertising.

"We do business to business clients." (Advertising company)

It is also interesting to consider where the clients of creative sub-sectors are geographical based. Creative companies in Birmingham have strong client base locally and regionally – these clients make up 57.1% of the creative companies' annual turnover overall (Table 8). Screen Media & Radio, Craft & Jewellery and Software companies also have a strong UK client base while turnover originating from outside the UK is above average only for Software and Advertising.

"We make a range of special occasion giftware for babies, children, women and men. We supply these products to retailers in the UK." (Jewellery company)

Table 7: Most important client groups by creative sub-sectors (%)

Client groups	Design & Visual Arts	Screen Media & Radio	Performing Arts & Music	Crafts & Jewellery	Publishing	Software	Advertising	Average
General Public	15.7	22.7	50.0	24.1	0.0	4.8	3.3	17.4
Small/Medium private companies	31.4	18.2	23.8	63.8	30.3	44.4	33.3	38.5
Large private companies and multinationals	29.4	36.4	9.5	12.1	51.5	41.3	43.3	30.1
Public and voluntary sectors organisations	15.7	9.1	4.8	0.0	6.1	4.8	13.3	7.0
Education sector	7.8	13.6	11.9	0.0	12.1	4.8	6.7	7.0

Source: The authors

Note: In bold the values above the average.

Table 8: Geographical origin of sales turnover by creative sub-sectors (%)

	Design & Visual Arts	Screen Media & Radio	Performing Arts & Music	Crafts & Jewellery	Publishing	Software	Advertising	Average
Birmingham	57.7	42.8	60.3	45.0	58.2	35.8	37.7	48.4
Rest of West Midlands	16.9	11.3	15.8	9.9	18.8	18.7	26.8	16.5
Rest of UK	21.8	40.4	12.1	41.4	18.8	32.6	30.2	27.9
Outside UK	1.5	0.5	4.3	3.7	4.2	9.9	5.2	4.6

Source: The authors

Note: In bold the values above the average.

In order to investigate further the role of creativity across different sub-sectors companies were asked to estimate the percentage of time that their companies was investing in the creating/designing process. Every sector presents a different mix of activities and a different balance between creating, manufacturing, delivering and other activities (Table 9). However, from 60% to 98% of firms surveyed that they undertake creating / design activities state as part of their work. On average, in all creative sub-sectors firms spent most of their time on this process, (from 81.8 % to 55.6%), with the exception of Craft and Jewellery where manufacturing was considered the primary activity and creation/design was limited to 33.6% of the time.

"I design and make solid gold and diamond watches." (Jewellery company)

"It is the ability to communicate, to assimilate information and to apply creative thoughts to the dissemination of the messages that you distil within the business." (Advertising company)

"We are an international organisation based in Birmingham. We are a creative organisation that performs and delivers its products outside the region." (Performing Arts company)

Firms were asked about the introduction of new products / services and new processes in the last three years in order to evaluate their innovativeness (Table 10). There exist differences across creative sub-sectors in relation to their innovation performance in terms of products and processes. They are overall very innovative but some sub-sectors perform above average: this is the case of Design & Visual Arts, Screen Media & Radio, Publishing and Software.

Part of the process of cultural production and innovation are based on knowledge creation and sharing. The firms were asked to identify the most meaningful sources of knowledge for their work (Table 11). Obviously the sector relies on a wide range of sources but the most important for more than half of the firms are suppliers and customers. Personal contacts, media, fairs & exhibitions, competitors and other public sector are also considered important for more than 40% of creative firms. It is interesting to note that while some creative sub-sectors use a wide variety of knowledge sources, this practice is less important in Publishing and Craft and Jewellery.

The issue of intellectual property (IP) is an important dimension of the creative industries as discussed previously. Many authors consider that this is the dimension that defines the sector. Nevertheless, IP protection methods were used by a majority of firms only in some creative sub-sectors (Table 12): Design & Visual Arts, Screen Media & Radio, Software and Advertising.

"Because we deal with other people's ideas, the intellectual property of those ideas is very important to them, so we have to deal with issues like security, confidentiality, protection." (Software company)

Table 9: Relevance of different business processes by creative sub-sectors (%)

Business Processes	Design & Visual Arts	Screen Media & Radio	Performing Arts & Music	Crafts & Jewellery	Publishing	Software	Advertising	Average
Creating/Designing	98.2	63.3	64.8	77.3	78.6	72.5	63.6	75.4
Manufacturing/Making	19.6	23.3	13.0	89.2	50.0	17.4	9.1	34.1
Delivering/Disseminating	17.9	16.7	18.2	43.1	51.2	21.7	25.0	27.9
Exhibiting/Performing	17.9	20.0	56.4	22.7	9.8	14.5	12.5	22.9
Archiving/Preserving	10.7	16.7	9.1	9.2	14.3	11.6	18.2	12.0
Educating/Understanding	18.2	16.7	38.9	10.8	14.3	34.8	21.2	23.0
Don't know	0.0	26.7	14.5	3.1	4.9	21.7	12.1	11.2

Source: The authors

Note: In bold the highest value per different business process.

Table 10: Innovation indicators across creative sub-sectors (%)

Innovation indicators	Design & Visual Arts	Screen Media & Radio	Performing Arts & Music	Crafts & Jewellery	Publishing	Software	Advertising	Average
New or significantly improved goods or services to the firm	62.5	70.0	36.4	41.5	48.8	63.2	28.1	50.4
New or significantly improved goods or services to the market	39.3	50.0	27.3	24.2	40.5	53.8	25.8	37.1
New or significantly improved production processes to the firm	39.3	42.9	20.0	27.0	39.0	47.7	21.2	34.0
New or significantly improved production processes to the market.	34.5	46.4	18.5	16.9	36.6	40.0	18.8	29.4

Source: The authors

Note: In bold the highest value per indicators.

Table 11: Most important sources of knowledge by creative sub-sectors

Design & Visual Arts	Screen Media & Radio	Performing Arts & Music	Crafts & Jewellery
Clients/customers (62.5%) Suppliers (57.5%) Personal contacts (57.5%) The media (56.2) Consultants (54.2%)	Universities (63.2 %) Other public sector (57.9%) Clients/customers (55.0%) Suppliers (50.0%) Technical/Trade Press (50.0%) Trade associations (50.0%)	Suppliers (61.2%) Clients/customers (57.1%) The Media (55.1 %) Personal contacts (55.1 %) Competitors (54.2%)	Clients/customers (44.4%) Suppliers (43.1%) Personal contacts (40.6 %) Fairs/Exhibition (34.4%) Trade associations (29.7%)
Publishing	Software	Advertising	
Clients/customers (42.5%) Fairs/Exhibition (40.0%) Suppliers (35.0 %) Other public sector (35.0%) Technical/Trade Press (35.0%)	Clients/customers (55.6%) Suppliers (49.4%) Personal contacts (49.4%) Consultants (46.9 %) Within the enterprise (46.3%)	Technical/ Trade Press (65.2%) Clients/customers (60.9%) Consultants (60.9%) Personal contacts (60.9%) Professional conferences (59.1%) Competitors (56.5%) The Media (56.5%) Regulations (54.5%) Health and Safety standards (52.2%)	Fairs/Exhibition (52.2%) Other public sector (52.2%) In house training (52.2%) Trade associations (52.2%)

Source: The authors

Note: The grey background highlights the sources of knowledge considered important by more than 50% of the sub-sector sample.

Table 12: Utilisation of intellectual property protection methods by creative sub-sectors (%)

IP protection methods	Design & Visual Arts	Screen Media & Radio	Performing Arts & Music	Crafts & Jewellery	Publishing	Software	Advertising	Average
Registration of design	41.1	46.7	20.0	33.8	23.8	30.9	36.4	32.4
Trademarks	32.1	50.0	22.2	33.8	26.8	36.8	42.4	33.7
Patents	25.0	43.3	10.9	20.0	17.1	23.2	33.3	22.9
Trust	41.8	46.7	26.8	19.7	22.0	37.7	34.4	31.8
Confidentiality agreement	46.4	51.6	25.9	28.8	37.5	57.4	50.0	41.8
Copyright	64.3	51.7	32.7	30.8	43.9	55.7	51.5	46.7
Secrecy	39.3	41.4	16.7	19.7	26.2	42.0	43.8	31.6
Complexity of design	41.1	41.9	13.0	22.7	26.8	31.9	34.4	29.2
Lead time advantage on customers	39.3	37.9	13.0	18.2	29.3	33.3	34.4	28.2

Source: The authors

Note: In bold the highest value per different IP protection methods.

5.3 Understanding performance and challenges

The data collected in reference to the performance of creative sub-firms in Birmingham raise questions regarding the strengths of these industries across sub-sectors as highlighted previously. When asked about their profit for the previous year (2003-2004), 70% of the companies across all creative sub-sectors described their activities as profitable (Table 13A). Nevertheless, 13% -16% of firms in Performing Arts & Music and in Crafts & Jewellery and Publishing experienced losses (this compares with 5-7% in Advertising and Screen Media & Radio). These findings seem to be linked to the various mission and legal status that dominate creative companies in these sub-sectors.

At the national level, one of the other major arguments for investing and re-branding the CIs has been the growth of these industries in terms of employment. In 2004,, only 11% of creative firms has experienced a decrease in their employment in the past 12 months. This proportion was higher in some sub-sectors like Craft & Jewellery (16.1%), Software (12.3%) and Publishing (15%) whereas only 4.3% of Performing Arts & Music firms had experienced a decrease. The sub-sectors more affected by a decrease in employment were also the sub-sectors that were facing larger competition both within the UK and abroad (Table 14)

Creative companies were also asked to anticipate their employment trend over the next 12 months (Table 13B). A large number of companies (65%) forecasted reduction in their employment. This might be explained by pressures on cost due to high competition but also by the public support needed by sub-sectors like Performing Arts & Music, when public funding can often be insecure and/or follow cycles.

Creative firms in Birmingham were subject to a wide variety of challenges across sub-sectors (Table 14). . Overall, the five most important challenges across creative sub-sectors were: national competition (19.3%), keep down costs (14.0%), access to finance (13.7%), meeting demand / market growth (11.2%) and skills shortage (9.5%).

However, each sub-sectors present specific challenges. Competition from other UK businesses was important for firms in the Publishing (27.5 %) and Advertising sectors (31.8%). These two sub-sectors can both be recognised as sector competing at the national level and sectors which might also experience competition from London (Chapain and Comunian, forthcoming).

“London is the centre of publishing activities in England and Edinburgh in Scotland. I go to London quite often. There is a sense that if we would be based in London, our networking would be better.” (Publishing Company)

“We don’t know how to find clients and they don’t know how to find us. A lot probably use London consultancies because they perceive that this is where the quality is.” (Design Company)

Access to finance was a major issue for a third of firms in Performing Arts & Music sector. The nature of the product in this sub-sector and its success – subject to Baumol law – gives concern and relies anyhow on a mixed of public and private finances subject to budget potential cuts. Keeping cost down is this crucial for some firms (22.4 %). This is

also the case for some firms in Software (17.3 %) and Advertising (17.4%). For the Software sector this issue may be linked to the ability of companies to meet demand and market growth (22.2%), in particular when experiencing skills shortage (11.1%).

Skills shortage is also an issue for firms in Design & Visual Arts (17.8%) and in Screen Media & Radio (10.5 %) where skills updates and training are very important to remain cutting edge technology speaking.

The sector experiencing the most competition from overseas is Craft & Jewellery (23.1%), where many firms have to compete with cheap design replica from Asia. Firms from the Jewellery Quarter in Birmingham have tried to reposition themselves to face the international competition but with a mixed success (POLLARD, 2004).

Challenges in relation to the lack of appropriate premises and associated rental costs are experienced strongly by firms in Performing Arts & Music (12.2% e 18.4%) and in Publishing (10.0% and 7.5%). Different sub-sectors have obviously different needs in terms of location and space. The need of the Performing Arts & Music sector seems the hardest to meet – specifically in a costly urban environment -, while other sub-sector seem to have more choices in terms of where to locate.

As expected, the sectors more strongly affected by the rapid pace of technological changes are Screen Media & Radio (10.5%) and Software (9.9%). These sectors in addition to Design & Visual Arts are also experiencing challenges around regulatory issues.

These various challenges seem to question the way we understand the CIs as a coherent sector today. An opposition between issues affecting market driven companies, where competition, meeting demand, technological changes are predominant and public-sector organisations where access to finance, keeping costs down and finding relevant spaces seem to emerge as central. In between, skills are a major concern for some Design & Visual Arts, while Screen Media & Radio is affected by issues common to technology based industry (ie. Regulatory issues and competition) and not for profit organisations (i.e. access to finance, keeping costs down). Crafts & Jewellery, Advertising and Publishing share common concerns in reference to competition (national versus international).

These findings are specifically interesting in light of the support infrastructure that have been built around CIs in the UK aims to foster these industries. This raises the issue of what kind of national, regional or local interventions are more appropriate to overcome such a great spread of issues.

Table 13: Financial position of the business in the last financial year and employment trends by creative sub-sectors (%)

	Design & Visual Arts	Screen Media & Radio	Performing Arts & Music	Crafts & Jewellery	Publishing	Software	Advertising	Average
A) Financial position								
Profit	84.6	77.3	66.0	79.7	75.6	82.1	90.3	79.3
Equilibrium	5.8	18.2	19.1	6.8	7.3	7.5	6.5	9.4
Loss	9.6	4.5	14.9	13.6	17.1	10.4	3.2	11.3
B) Employment trends								
Proportion of firms whose employment increased in the last 12 months	20.4	23.3	14.6	14.3	14.3	24.3	21.9	18.9
Proportion of firms whose sales increased in the last 12 months	44.6	45.8	54.2	30.3	23.8	47.1	45.2	41.2

Source: The authors

Note: In bold the values above the average.

Table 14: Major business issues and challenges by creative sub-sectors (%)

Business Issues and challenges	Design & Visual Arts	Screen Media & Radio	Performing Arts & Music	Craft & Jewellery	Publishing	Software	Advertising	Average
None/no barriers	41.1	36.8	34.7	43.1	30.0	29.6	34.8	36.0
Competition from other UK businesses	23.3	15.8	12.2	17.2	27.5	14.8	31.8	19.3
Access to finance	11.0	15.8	30.6	6.2	10.0	17.3	4.3	14.0
Keeping costs down	9.6	15.0	22.4	4.6	15.4	17.3	17.4	13.7
Meeting demand/market growth	6.8	10.5	12.2	7.7	5.0	22.2	4.5	11.2
Skills shortages	17.8	10.5	8.2	4.7	2.6	11.1	4.3	9.5
Competition from other overseas businesses	0.0	5.0	8.2	23.1	5.0	9.9	4.3	8.8
Don't know	6.8	10.0	4.1	4.6	10.0	13.6	13.0	8.5
Lack of appropriate premises	8.2	0.0	12.2	1.5	10.0	6.2	9.1	6.9
Rental cost of premises	1.4	0.0	18.4	6.2	7.5	3.7	0.0	5.7
Technological change	6.8	10.5	2.0	1.5	2.5	9.9	0.0	5.1
Other	9.6	5.3	0.0	6.2	10.0	1.2	4.3	5.1
Regulatory issues	5.5	5.0	0.0	0.0	2.5	7.4	4.5	3.7
Product/service development issues	1.4	5.0	6.1	1.5	2.5	7.4	0.0	3.7
Corporate strategy	1.4	5.0	6.1	0.0	0.0	6.2	0.0	2.9
Local/regional image	0.0	5.0	6.1	0.0	5.0	3.7	0.0	2.6
Local transport infrastructure	1.4	5.0	0.0	0.0	0.0	0.0	0.0	0.6

Source: The authors

Note: In bold the values above the average.

5.4 The diverse role of public support and local and regional infrastructure

As for the different type of challenges faced by different sectors, we can find different approaches and patterns in the way different sectors make use of public sector support. This is also reflected in the kind of organisation and public sector infrastructure they interact with and find useful.

In general terms, business advice is by far the most common support that creative firms receive (43.6%). This is complemented with support for business networking (18.6%) and assistance with training (17.7%). Financial assistance (16.9%) and marketing support (16.0%) follow.

Nevertheless, different trends can be identified across sub-sectors: business advice is more strongly used by Performing Arts & Music (59.2%) - may be influenced by the fact that business skills are not commonly associated with a performing arts career - Screen Media and Radio (50%) and Software (50%). This could also be linked to the organisational structure of these sectors, where organisations including more than one person might allow the possibility to seek business advice. Support for networking is used across these sub-sectors and Advertising, while training support is important for firms in Screen Media & Radio and Software.

As we could expect Screen Media and Radio (40%) and Performing Arts & Music (29.2%) are also the sectors which look out for further financial assistance as well as help in marketing.

It is important to highlight that the type of support that creative companies use is linked to the support offered to them. Therefore we can assume that some sub-sectors might be in receipt of large amount of help if they benefit from specific support organisation or infrastructure. This might be the case for Screen Media & Radio in our survey as this sub-sector has benefited from the support of a specific organisation like Screen West Midlands.

These links are explored in Table 15 which present support received from specific organisations by creative firms. Traditional business support organisations like the Chamber of commerce and the Business Link are used at least by 20% to 60% of companies in all creative sub-sectors while specific sector support organisations seem to play an important role in some sub-sectors like Screen Media & Radio, Performing Arts & Music, Craft & Jewellery and Advertising. The sub-sectors which tend to benefit the most from public sector funding like Screen Media & Radio, Performing Arts & Music are, as expected, the sub-sectors that present higher proportions of interactions with specific sector support organisations.

Table 15: Use of support organisations by creative sub-sectors (%)

Support organisations	Design & Visual Arts	Screen Media & Radio	Performing Arts & Music	Crafts & Jewellery	Publishing	Software	Advertising	Average
Business Link	30.1	31.6	51.0	33.8	29.3	46.9	34.8	37.9
Chamber Of Commerce	35.6	47.4	58.3	21.5	22.5	30.9	31.8	33.9
Birmingham City Council	21.9	21.1	37.5	15.6	17.1	17.3	4.5	20.1
Advantage West Midlands	13.9	15.8	4.2	13.8	10.0	11.1	9.1	11.2
Employment Services	15.1	15.0	12.2	4.6	7.5	9.9	4.5	10.0
Learning And Skills Council	6.8	15.8	10.2	9.2	7.5	4.9	4.3	7.7
Sector Specific Organisations - Public Sector Organised	5.6	10.0	14.3	9.2	5.0	1.2	13.0	7.1
Sector Specific Organisations - Private Sector Organised	6.9	10.0	10.2	4.7	7.5	2.5	9.1	6.3
Trade Partners UK	4.2	10.0	8.2	7.7	5.0	1.2	4.3	5.1
English Partnership	6.8	10.0	4.1	1.5	7.5	1.2	0.0	4.0
Government Office for the West Midlands	4.1	5.3	4.1	1.5	5.0	1.2	0.0	2.9

Source: The authors

Note: In bold the values above the average.

Many companies in Design & Visual Arts, Screen Media & Radio and Performing Arts & Music have used support from Birmingham City Council. This seems relevant with the City Council policies which have been to target these sectors in the last years. The regional development agency, Advantage West Midlands, seems also to play an important support role for Design & Visual Arts, Screen Media & Radio as well as Craft & Jewellery.

"I am a member of the Chamber of Commerce but it is not always good. At the beginning, they are happy that you become a member, then, it is more difficult. You have to keep calling to ask for help." (Design Company)

"Public support is important for us. For example, the contract with XX generate £300 per 30 hour work placement and this pays the rent." (Studio company)

6 Conclusion

The paper aimed to shed some light on the still limited understanding of academia and policy makers in the field of the creative industries. It argues for the need to grasp what are the different business practice and challenges across the range of sub-sectors that constitutes the creative industries.

The original data collected for Birmingham in the West Midlands has helped us present an overview of these different patterns. However, additional comparative research looking at the way different creative sub-sectors address issues like growth and market is needed.

The paper does not dismiss the DCMS definition of the creative industries as this definition has been useful particularly from a policy perspective point of view in creating a policy framework and support for sub-sectors of the creative industries which had previously been almost ignored.

Nevertheless, further debate needs to take place in relation to how useful this overall definition is in making sure that the specific issues faced by each creative sub-sector are taken into consideration and that academics and policy makers do not adopt a one-size-fits-all approach.

From the results collected in Birmingham, it is clear that there are common dynamics within the creative industries and that the hype created around these industries has created a sense of belonging for some creative micro-enterprises and sole-traders which are often left at the margins of local economic policies and support.

The data presented highlight some common elements within the creative sub-sectors, for example a focus on design and creation of new products and processes and a strong connection with the locality of and the region in terms of inputs and outputs. On the contrary, creative sub-sectors present high disparities in terms of their business or legal-

framework, the diversity of their client groups and the role of public support in their activities.

As suggested by some of the literature, one of the strongest emerging difference relate to the legal status and the organisations; objectives in the different sub-sectors. The distinction between commercial and non commercial type of organisations seems to determine differences in the type of income sources and the overall financial stability of each sub-sector; it also bares relation with the possibility to invest in innovation.

The other interesting divergence relates to the different kind of clients groups with which different sub-sectors interact. In particular, here the distinction regards organisation which mostly serve other businesses versus organisations whose main client is the general public – this divergence is partially connected with funding sources. Within the business to business type of activities, further differences seem to emerge between sectors dealing with larger and multinational companies and those dealing with small companies.

Public support clearly plays and important role for creative sub-sectors; nevertheless this role varies across creative sub-sectors. In this respect the fragmented picture of support received or sought across the different sub-sectors raise questions regarding the necessity of CIs policies and support overall, when specific support is delivered by different organisations. There are organisations which try to make links across different sub-sectors and rely on their common business practice but most of the creative support networks tend to be quite focused in specific areas of activities.

The way support is differentiated seems to respond to the reality of a fragmented CIs sector, nevertheless many of the policies have been coming about because of the national headlines obtained by the creative industries as a whole.

The paper aimed to highlight these conflicting dynamics and direct the research taking place in the sector towards a better understanding of the similarities and dissimilarities across the creative sub-sectors. Our findings advocate for the need to realise more comparative research looking across the different sub-sectors of the creative economy.

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