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Accounts Division (DSCN)

GENERAL METHODOLOGY CULTURAL SATELLITE ACCOUNT (CSA)

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FOREWORD

The National Administrative Department of Statistics (DANE), a government agency, is responsible for coordinating and regulating the National Statistical System (SEN). Within the Statistical Planning and Harmonization project, it works for strengthening and consolidating SEN. The following processes support this commitment: the production of strategic statistics; the generation, adaptation and dissemination of standards; the consolidation and harmonization of the statistical information and the coordination of instruments, actors, initiatives and products. These actions must be oriented towards the improvement of the quality of strategic statistical information, its availability, timeliness and accessibility in order to respond to the increasing demand for such information.

Conscious of the need and obligation to offer the best products, DANE, has developed a standard guide for the documentation of the methodologies of derived statistical operations so as to contribute to the visualization and understanding of the statistical process. Through this instrument, the organization produces methodological documents, at the disposal of the specialized users and of the general public. They present in a standard manner, the main technical characteristics of the processes of each research. They are complete, of easy reading, which allows its analysis, control and evaluation.

This series of documents, favors the transparency, confidence and credibility of the technical quality of the institution for a better understanding and use of the statistical information produced following the principles of coherence, comparability, integrality and quality.

INTRODUCTION

DANE in its role as coordinator of the statistical activity of the National Statistical System (SEN) has set up a series of guidelines that standardize the structure of methodological documents on the statistical operations and in this particular case the methodology for derived statistical operations.

The present methodological document referring to the Cultural Satellite Account (CSA) has been elaborated according to these guidelines. Its principal purpose is to provide an instrument to understand, among others, the different procedures used for the calculation of the Production Accounts, the Supply and Use Tables (SUT) and the Expenditure Accounts, for each of the cultural sectors identified in the Manual of the Andres Bello Agreement (CAB). The document includes the calculations for nine cultural segments whose results are published on DANE's webpage, for users and suppliers of the information to consult.

The document includes three parts: the first one presents the CSA background, the second one describes the methodological design and the method of elaboration of the statistical operation, and the third part includes a detailed glossary and the bibliography on the included topics.

1. BACKGROUND

The Ministry of Culture in collaboration with DANE recommended, in the “Decennial Plan of Culture” (CONPES 3162, 2002), the consolidation of the cultural information for decision making, the elaboration and follow-up of a Cultural Satellite Account and the generation of specialized statistics for this sector. This gave rise to the CSA project in Colombia in October 2002, which was supported by a Memorandum of Understanding (MOU) between the Ministry of Culture, DANE, the Andres Bello Agreement (CAB), and the National Directorate of Copyright (DNDA).

In 2005 a new MOU was subscribed, this time between DANE and the Ministry of Culture with the purpose of cooperating and combining technical, human and economic resources towards the consolidation and permanent update of the CSA. As a result of this agreement, the series for years 2000 to 2007 (Base 2000) were obtained, using the sources of information of the National Accounts central framework (Goods and services Annual Accounts). These were published in June 2009.

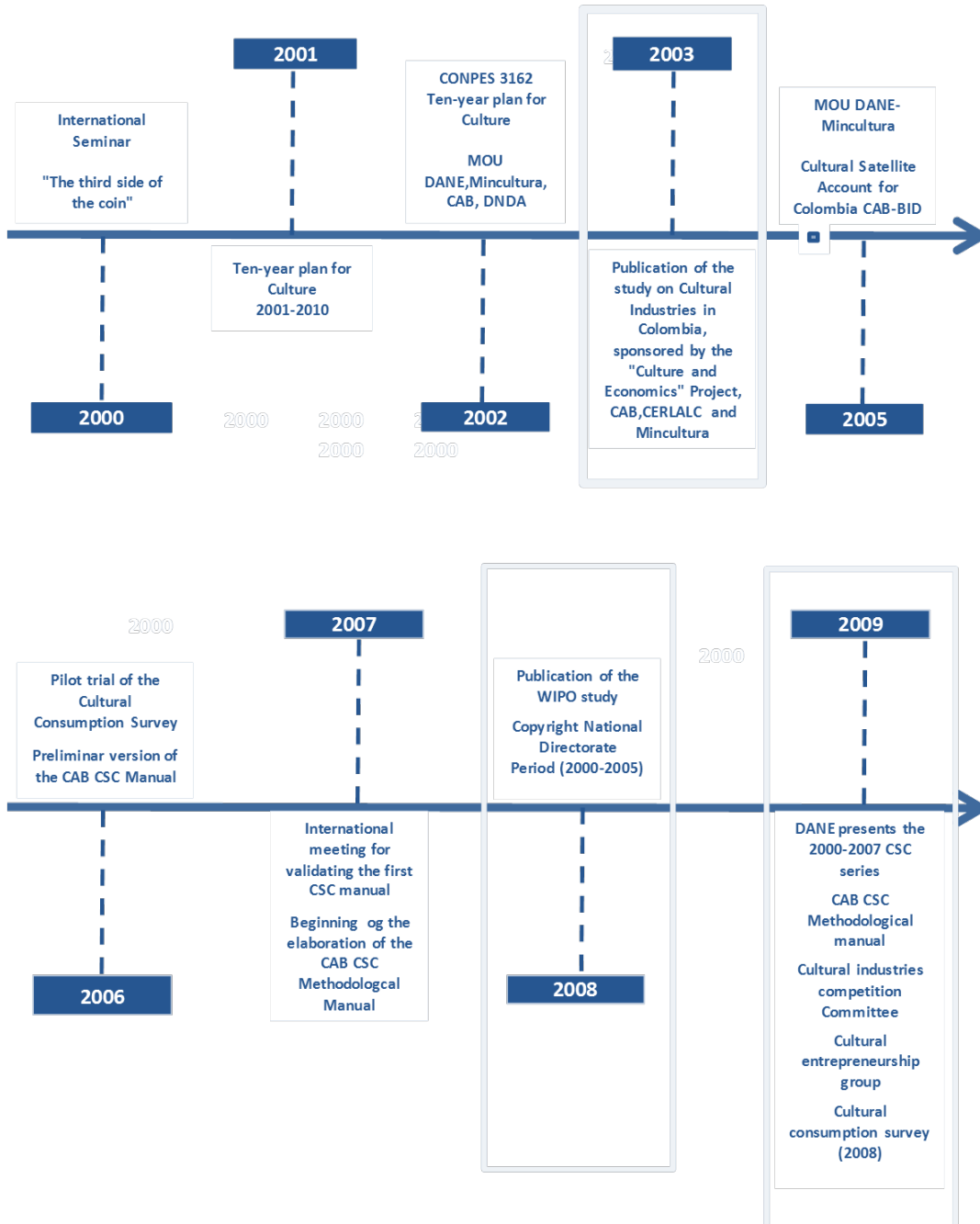
In 2009 the CAB published the document “**Cultural Satellite Account**-Methodological manual for its implementation in Latin America”.

The document CONPES 3659 “National Policy for the promotion of the Cultural Industries in Colombia (2010)” established a strategy to overcome the insufficient development of the cultural industries in the regions and the deficiency of information on the topic. It was to reinforce the SCA within the framework of the MOU involving DANE and the Ministry of Culture. DANE would also transfer the methodology of measurement of the CSA to the regions insofar as they requested it.

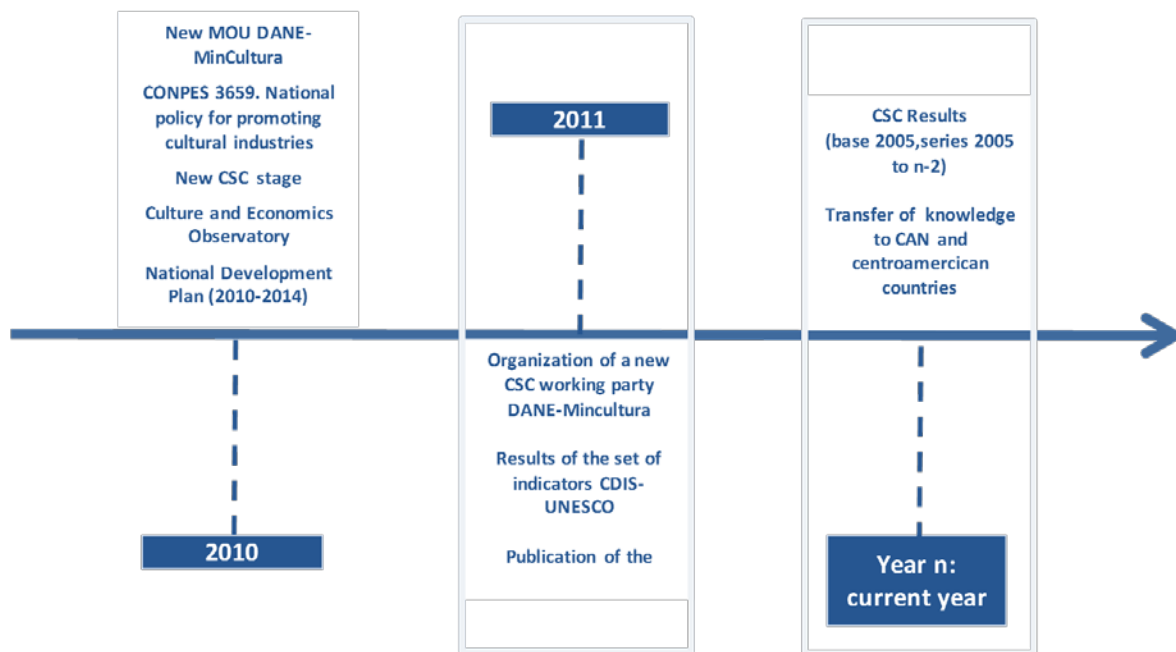
In 2010 the Ministry of Culture and DANE signed a new MOU of technical cooperation (1804, from 2010 to 2015), to elaborate the CSA, following the conceptual and methodological guidelines of the CAB Manual. Along these terms, a working party made of four staff, two from each organization, has been developing this research. This MOU covers 5 years, and may be extended according to the interest of the parties. Considering the commitments and advances of the SCA, and taking into account the importance of the activities that have been developed and the results

obtained with this inter-institutional cooperation, the institution consider pertinent to roll it over for 5 more years (until March 2020).

Graph 1. Background of the Cultural Satellite Account (CSC)



Graph 1. Background of the Cultural Satellite Account (CSC) (Final)



Source: CSA, working party.

2. DESIGN OF THE STATISTICAL OPERATION

2.1. THEMATIC AND METHODOLOGICAL DESIGN

2.1.1. Information requirements

The Political Constitution of Colombia (1991) and the Culture General Law (1997) underline the importance of treating culture as a component of development. As a consequence, it requires elaborating economic measurements of the cultural sector. This includes very important aspects such as: the supply and use of the output of cultural industries; the dignified treatment of the workers in culture activities; cultural tourism and cultural heritage, and culture as a guiding line of the regional and sectorial development plans.

The Law of Promotion of the Culture of Entrepreneurship (Law 1014 of 2006) assigns institutional responsibilities for the promotion of entrepreneurship and, in the context of all levels of the formal education system, it establishes mechanisms to promote the creation of new companies articulated with the productive chains. The law also expresses the commitment for the assignment of public resources to support the **entrepreneurship networks** registered in the Ministry of Commerce, Industry and Tourism, and to take the necessary steps in agreement with the financial institutions to elaborate the business plans of the new entrepreneurs that might be used as guarantee for the authorization of credits and the generation of conditions for the creation of investment funds for the support of these new companies in the regions.

The 2006-2010 National Development Plan elaborated some guidelines regarding competitiveness and productivity that should be taken into account in the identification of productive supply and competitive strategies in the participant regions and sectors. The Ministry of Culture promoted the elaboration of the Internal Agenda for the Culture, Media and Publicity sector, in accordance with several private actors of the cultural sector, collecting both demands and supplies, and thus generating institutional answers directed to face the challenges raised by the development of the cultural industries in the country, in the context of the public policies.

The CONPES document 3162 (2002), “Guidelines for the sustainability of the 2001-2010 National Plan of Culture”, aimed at the strengthening of the Ministry of Culture and the reorganization of the cultural sector through a diagnosis of the problems of information, financing, legislation and management. It proposed the creation of indicators, statistics and the elaboration of the CSA as an instrument that will fulfill those requirements.

The strategy of competitiveness through the enterprise and technological development was promoted within the (2006-2010) National Development Plan, in order to gain participation in the international markets and an actual competition in the local market. The development of companies implied the establishment of promotion programs of innovation and specific strategies of productivity and competitiveness directed to micro-enterprises and small and medium enterprises (SMEs) including:

- The increase of productivity and competitiveness of the companies.
- The elimination of barriers to the access to financial, technological markets and of information.
- The promotion of formal enterprises.
- The promotion of enterprises associations.
- The creation of economies of scale by means of government purchases.
- The promotion of support to the culture of entrepreneurship.

These tools were proposed in order to articulate the entities of the artistic and cultural domain, and to show them as generators of employment and social development to the society in general and to the institutions in charge of leading the implementation of the mentioned policies in particular, such as: the Ministry of Commerce, Industry and Tourism; the National Apprenticeship Service - SENA; the National System of Competitiveness and the regional organizations (municipalities and departments), that participate in an important scale in the Regional Councils of Competitiveness and

in the local spaces that are fundamental for the development of the cultural industries in Colombia.

This internal agenda for the productivity and the competitiveness of the Culture, Media and Publicity sector, is the context in which the need for research that would help in the implementation of all the promotion actions towards the cultural industries becomes evident. One of these lines of research is the CSA.

2.1.2. Objectives

a. General objective

To create a focused, continuous, and comparable, information system that makes the economic valuation of cultural products, and of the activities that generate them, possible.

b. Specific objectives

- To define and to provide the limits of the cultural domain, as far as the determination of the scope of the CSA in Colombia and the application of the methodology proposed by the Andres Bello Agreement (CAB).
- To realize an economic measurement of the production of the cultural segments established in the CAB Manual and if requested of some others that would fulfill the criteria of inclusion in the cultural domain.
- To measure the productive processes of the cultural activities.
- To calculate the supply and the demand for cultural products.
- To measure the employment in the cultural activities
- To calculate the total expenditure and the way it is financed, for each cultural segment.

- To contribute to the improvement of the measurement of the cultural activities and products within the central framework of the national accounts, thanks to the inclusion of alternative and complementary sources of information.
- To serve as model for other countries of Latin America concerning the applicability of the CAB Manual.
- To allow comparisons with other economic sectors and with other countries.
- To provide to managers and participants in cultural activities, of the civil society and the government, an instrument for analyzing the interrelations of their policies and actions with the cultural aggregates and the general economic environment.

2.1.3. Scope

The satellite accounts are an extension of the System of National Accounts that shares its concepts, definitions and classifications. They allow extending the analytical capacity to an area of specific interest. The CSA corresponds to a continuous, reliable and comparable economic information system on the cultural goods and services and the activities that generate them and, generally, of **the cultural domain that comprises the following segments:**

1. Creativity (Literary, musical, theater, etc.)
2. Scenic arts and artistic spectacles
3. Plastic and visual arts
4. Books and publications
5. Audio-visual
6. Music
7. Design
8. Games and toys
9. Material heritage
10. Natural heritage
11. Intangible cultural heritage
12. Artistic education

In spite of the numerous discussions in international scenes, in which the inclusion of the activities and products related to the sport and the religion has been proposed, it was agreed to restrict the CSA to the measurement of the previously mentioned segments of the cultural domains and leave the research of others for later studies.

2.1.4. Reference framework

a. Theoretical framework

In the 1970s the economy of culture was recognized as a topic of research in economics on its own standing. Several publications and organizations¹ differentiated culture in its anthropological sense from culture understood as a set of expressions subject to economic analysis. These studies aimed at centering the attention of the analysis on topics such as: the identification of the forms of organization of the cultural activities, the description of the operation of the art market and the models of consumption of cultural goods and services.

During the 1990s Australia and the United Kingdom introduced the term *creative industries* into the debate of the economy of culture, with the purpose of including other niches that began to acquire relevance in the economy of these countries, such as: fashion, design or architecture. This was a position that defended the legislation on copyrights and the connected rights and included an ampler list of cultural goods and services, including patents, brands and the final products of design.

Later on, other proposals appeared for establishing the boundary of the activities and cultural products, some of them related to the development of new information technologies (networks, media, and interactivity) and to audience segmentation. It was necessary to urgently adapt the techniques of creation to the so-called **cyberculture**. They brought about new concepts such as: content and information industries,

¹ **Performing Arts: The Economic Dilemma**, Baumol and Bowen. **The Economics of Arts: Selected Readings, specialized magazine** directed by Mark Blaug. **The Association for Cultural Economics International (ACEI)**, a scientific institution interested in deepening the understanding of the economic aspects of arts and culture in their own countries and throughout the world.

entertainment industries, copyright protected industries or the denominated *orange economy*².

On the other hand in the sociology of culture, and particularly in the proposal of Pierre Bourdieu³, a **domain** is a social space of action and influence in which specific social relations converge. These relations are defined by the ownership or production of a particular form of capital, which is characteristic of each particular domain. Each domain is independent, and the hegemonic or subordinated position of the participants within it depends on the specific norms of the domain in question. The structured set of domains, besides its reciprocal influences and the relations of domination among them, defines the social structure. The notion of *Cultural Domain* is one of the conceptual supports used for the definition of the object of study of the CSA.

Based on the contributions of the Sociology of Culture, with its conception of domains, the Economy of Culture and its description of the operation of the markets of art and the models of consumption of cultural goods and services, and the requirements of the SCN, a functional definition for the CSA of the Cultural Domain was obtained: "A set of human activities and its elaborations, whose **raison d'être** is the creation, interpretation, conservation, and transmission of symbolic contents"⁴.

² It is the title of a paper by the Inter-American Development Bank which purpose is to stimulate the debate about the contribution of creativity as an element integrated to the social and economic development. It is based on international studies and databases, in particular those of WIPO, OXFORD ECONOMICS (well known consultancy firm) and UNCTAD among others.

³ **The Rules of Art.** Genesis and Structure of the Literary Domain. (1997); **Cultural capital, school and social space** (2001); among others.

⁴ **Cultural Satellite Account. Methodological Manual for its Implementation in Latin America.** Andres Bello Agreement (2009), p.33.

b. Conceptual framework

During the last centuries considerable work in social sciences has been done in planning and defining culture, in particular from the anthropological perspective. The objective has been to find a scientific paradigm in order to organize the whole knowledge on culture. Even those that recognize the existence of multiple paradigms propose to establish only one, the most effective, with the greatest capability for explaining the cultural phenomena in its integrality. From the social sciences point of view, an operative definition has been proposed. It is shared by several disciplines:

“It is possible to affirm that culture includes the set of social processes of signification, or in a more complex way, culture includes the set of social processes of production, circulation and consumption of the signification in the social life. Néstor García Canclini, “Different, unequal and disconnected”. (2004) p. 34

This definition tries to state that culture is not only a set of artworks, of books, or a sum of material objects loaded with signs and symbols.

Culture appears as social processes. To a certain extent the difficulty to speak about it derives from the fact that it takes place, circulates and it is consumed in the social history. It is not something that appears always in the same way. This explains the importance acquired by the studies on reception and appropriation of goods and messages in the contemporary societies. They show how a same object may be transformed through its social uses and re-appropriations.

That interest in the exchange and appropriation of cultural products has promoted the development of research in order to make an approach to the close relationship between economy and culture. In spite of all the limitations of the economic science to approach cultural topics, the tools of analysis and economic measurement are important instruments to understand the cultural dimension and to identify their relationship with the other economic and social environments.

It has been possible to establish that culture realizes an important contribution to the economies of the countries. The identification of this contribution has been initiated by studies on the participation of cultural industries in the growth of the national economies. However, it is necessary to design mechanisms of measurement of the human and social benefits that these contributions produce.

A way to perform the economic valuation of the cultural phenomena is the elaboration of a CSA that develops a measurement of the cultural activities comparable and compatible with the measurement of other economic activities, and its methodology, presentation and results are consistent with the principles of the United Nations' System of National Accounts.

The human activities and specific products included in the definition of Culture (above, pp. 11) are those that determine the social processes of signification. This definition of culture sets the parameters adopted by most of the research and economic measurements and have been used by the departments of cultural statistics of organizations such as UNESCO and EUROSTAT.

The SCA of Colombia proposes a functional boundary of the cultural domain, based on a methodology that includes the totality of its expressions, and that allows an economic valuation of its products and of the activities that generate them, as well as of the social and economic context in which they appear, such as the heritage and the cultural education.

According to a revision of the measurements previously made both within the central framework of the national accounts and in the first version of the CSA, the new stage of this research has adopted the conceptual and technical framework of the CAB Manual, framework that was developed based on the need for Latin American countries to have a common methodological reference and expressed in different meetings of experts on the economy of culture, high level experts in national accounts, and delegates of the international organisms associated to culture.

As a result of the debates in these meetings, in particular, by the contribution made by the experts in national accounts (with experience in the elaboration of manuals of Satellite Accounts in other domains), it was clear, that the countries were in need to deepen their knowledge of the cultural sector. They also wanted to complement and

to improve the existing measurements. They have the conviction that it is a complex sector, with particular challenges, among which the need to overcome the difficulties of identifying and measuring intangible assets associated with the cultural activities and products, as well as the informal productive agents.

The idea of getting deeper in the analyses and complementing the results obtained in the previous research and in agreement with the new mentioned methodological developments, the CSA has advanced in the study of the segments of the cultural domain. The use of the segments defined by the CAB Manual **has implied to undertake a valuation process in some cases different from the measurements of the activities and cultural products that had been made before.**

The CSA presents a framework within which the existing information of the previous studies and the contributed additional data in this new stage can be contextualized and lead to identifying the weaknesses and deficiencies of the former research. It is important to develop a meticulous statistical work of evaluation of its quality and of the validity of its results.

Table 1 (below) shows the more remarkable differences between the two versions of the CSA: the 2000 base and the 2005 base.

Table 1. Schematic differences between Cultural Satellite Accounts Base 2000 and Base 2005

Series	Sector/Segments	Differences	Methodology
2000-2007 Base 2000	<ol style="list-style-type: none"> 1. Publishing and Printing activities 2. Radio and TV broadcasting, cable TV 3. Publicity, photography, cultural research and development 4. Cultural and recreational services 5. Non market museums 6. Artistic education 7. Government 	<ul style="list-style-type: none"> ▪ The publishing sector is classified among the industrial activities ▪ Includes characteristic and connected products ▪ Includes 7 sectors ▪ These sectors are called cultural sectors ▪ The same sources providing information for the Central Framework of National Accounts were used for this research. 	Ministry of Culture and DANE

Books and publications	Publishing is a fundamental cultural domain in terms of products and typical activities.	The printing activities, although necessary for the production of books, newspapers, and other publication are connected activities.	
2005-2012 Base 2005 Literary, musical, theater, etc., creation Scenic arts and artistic spectacles Plastic and visual arts Audio-visual Music Design Games and toys Material heritage Natural heritage Intangible cultural heritage Artistic education	<ul style="list-style-type: none"> ▪ Definition of characteristic and connected products and their generating activities ▪ Increased number of information sources ▪ The number of segments is increased to 12 ▪ More emphasis on the use of non-monetary indicators ▪ The denomination of the cultural segments is determined ▪ Information sources are added to those used by the National Accounts central framework 	CAB Methodological Manual	

Source: DANE, Cultural Satellite Account; MinCultura.

c. Legal Framework

The general legal framework of the cultural sector is the Colombian Political Constitution of 1991, which states the role of culture in the Nation. The Constitution underlines the importance of stimulating the socialization, the reinforcement of the political liberties and the production of material and spiritual wealth. Just for illustration mention should be made of some articles: Article 70 (Culture as the base of the nationality); Article 20 (The right of access to the information); Article 67 (Education as a fundamental right), and Article 40 (Participation in the political control activity).

The cultural policy is supported also by some international manifestos and declarations, such as: the Caracas Declaration; the IFLA-UNESCO manifest on Public Libraries; the Florianópolis Declaration on Products and Services of the TICs; the Papallacta Declaration on Information and TIC Companies. With respect to the Cultural Patrimony of the Nation, the Political Constitution, in its article 72, establishes that it is under the protection of the State.

The concern for the reinforcement of the cultural industries is already present in the cultural regulation of the country, beginning with the 1997 **Culture General Law**. This law recognizes the culture as an universal right and as an immediate consequence, the explicit commitment of the State in terms of financing and social spending. The cultural sector is characterized as a productive sector able to contribute to the economic development of the nation, generating growth and employment in conditions of equality, both for the cultural agents and organizations as for society as a whole. This double and complementary character of the culture as universal right and as a potential productive sector is widely developed by the **2001-2010 Culture National Plan: "Towards a cultural democratic citizenship"**, in which direct reference is made to the cultural industries as sources of new expressions and symbols, and as generators of communication channels that build the network of significations of a society.

The Plan, due to its interest in the management of an inter-sectorial agenda between economy and culture, sets development strategies for the cultural industries. Such strategies emphasize on the link between the social and economic policies of the State and the organizations of the cultural domain, through the promotion of the micro,

small and medium businesses, the design of special lines of credit, the implementation of programs for enterprise qualification, the incentive to the successful experiences, “startups”, and the creation of specialized enterprise as incubators in the sector.

On the other hand, in accordance with the Plan, the CONPES 3162 (2002) document: “Guidelines for the sustainability of the 2001-2010 Culture National Plan” characterizes the cultural industries as the vehicles of intercultural dialog, of knowledge, of educative creativity, entertainment and the construction of more democratic societies. It recommends bringing support to six aspects as follows:

1. The development of fiscal and tributary incentives.
2. The implementation of lines of financial support.
3. The reinforcement of the associations of creators, producers and distributors.
4. The artistic and technical formation of the agents of the sector.
5. The protection of copyright.
6. The search and opening of international markets.

In the same way, and starting with these common guidelines, the Objective of the **2006-2010 Plan for the Arts** is the recognition of the artistic practices. They are a factor of sustainable development and renovation of the cultural diversity and the starting point of cultural citizenship. The economy of creative activities has been included as one of the focal principles on which the strategies and actions of the **Public Policy for the Arts** are to be based. This policy should recognize that the professional development of the vocations and artistic talents is a right that implies the consolidation of the arts as a socioeconomic subsector with specific features. This is the reason to propose the articulation of the cultural policies with the other economic policies of promotion, with an explicit mention of the legislation that promotes the integral development of the micro, small and medium size enterprises (MYPYMES), that should take care of the needs and the particularities of the sector in

order to improve the quality of life of the artists and the other agents who comprise this domain.

The normative references mentioned show that all the agenda of promotion to the cultural and creative industries must be closely linked to the regulation and the policies of promotion of the entrepreneurship, the MIPYMES and the competitiveness of the productive sectors. In Colombia this regulation is provided mainly by Law 590, (2000, Development of the MIPYMES), Law 1014 (2006, Promotion of the Entrepreneurship Culture), the National System of Competitiveness, that assumes the implementation of the Internal Agenda for the Productivity and the Competitiveness, and by the present Development Plan "**Communitarian State, Development for all**".

Each of these regulatory frameworks established instruments that must be implemented for the development of the industries of the cultural domain. The 2000 Law 590, that intended to promote the integral development of the MIPYMES, considering its aptitudes to generate employment, regional development and integration of the economic sectors, established responsibilities concerning the promotion of the participation of the MIPYMES in public purchases, the accomplishment of fairs and exhibitions to facilitate their access to markets and the creation of the Colombian Fund of Modernization and Technological Development of the MIPYMES (FOMYPIME), with the objective of funding programs, projects and activities for the enterprise and technological development of the MIPYMES and applying non-financial instruments directed to the promotion of these enterprises by means of non-reimbursable co-financing of programs, projects and activities.

The most relevant legal references for the Cultural Sector are as follows:

- Political Constitution of Colombia 1991
- Decree 909 of 1963
- Decree 2150 of 1995
- Decree 358 of 2000
- Law 1, 26 of March of 1834 (Law of Legal Deposit)

- Law 44 of 1993
- Law 460 of 1995
- Law 397 of 1997 (General Law of Culture)
- Law 1185 of 2008
- 2001-2010 Decennial Culture National Plan
- Decree 358 of 2000
- Law 9 of 1942
- Law 594 of 2000 (Law of Archives)
- Law 814 of 2003 (Law of Cinema)

d. International references

The economic analyses in the domain of art and culture starts in the late 1960s where an increasingly visible movement can be observed, obtaining majors depth levels and consolidating its own current topics of research. Example of it: the creation of the Association for Cultural Economics International (ACEI); the development of the Journal of Cultural Economics, a specialized magazine, as well as the publication of books on particular topics of the economy of the culture and series of papers giving relevance to the state-of-the-art in this domain.

The political and academic spheres in an increasing number of countries realize measurements and produce studies on this topic. Among them, the Hispano-American countries have produced studies on the economy of culture in the last years. Several of these researches have demonstrated the economic effects of culture in value added, employment and foreign trade. Some of these studies have analyzed what is behind these effects through the observation of the productive chains of the sectors that comprise the cultural domain and others elaborate on diagnoses of the economic measurement of supply and demand. Cultural institutions, national

copyright associations and international organizations have sponsored many of these studies.

The studies realized on the economy of the culture sponsored by CAB and other international institutions have revealed measurement difficulties that do not allow reaching conclusions of a general character. Since these topics are relatively new in the agendas of the countries of the region, reliable periodic information systems of the cultural activities have still not been developed. Therefore, the implementation of economic information systems was identified as one of the high-priority needs to provide insight in the economic characteristics of culture with high levels of credibility.

The Colombian SCA is based on two international references: the CAB Methodological Manual, and the conceptual and methodological base recommended by the international organizations: the National Accounts Systems known as SNA 1993 and SNA 2008.

The CAB Methodological Manual has been set up in order to provide a common methodological proposal for the measurement of culture. This measurement must be rigorous in technical and conceptual matters, applicable and oriented towards the conformation of the informational base required for the elaboration of cultural policies.

The accounting framework of the SNA allows economic data to be compiled and presented in a format that is designed for economic analysis, decision and policymaking. The accounts themselves present in a condensed way a great mass of detailed information, organized according to economic principles and perceptions, about the working of an economy. They provide a comprehensive and detailed record of complex economic activities taking place within an economy and of the interactions between different economic agents, and groups of agents, that take place on markets or elsewhere. The framework of the SNA provides accounts that are comprehensive, consistent and integrated (SNA 2008, Paragraph 1.1).

The last two versions of **The System of National Accounts** (1993 and 2008), were elaborated by the inter-secretarial group of work on national accounts, integrated by the Commission of the European Community (EUROSTAT), the World Bank, the International Monetary Fund, the Organization for the Economic Cooperation and the

Development (OECD), United Nations and their Commissions for Latin America, Europe, Asia and the Pacific, Africa and Southeast Asia and the collaboration of the countries.

SNA 2008 maintains the same basic theoretical frame as SNA 1993, but it includes new methodologies and it deepens an ample range of topics generated by the evolution of the TICs, which affect the development of many cultural activities.

With respect to international agreements and cooperation, Colombia has hosted the headquarters of several national and international organizations. It has received support from them and from different national institutions. This cooperation has contributed to the development of cultural policies and more specifically to initiatives in the area of economic measurement of the cultural domain. This is the case of the National Directorate of Copyright (DNDA), Andres Bello Agreement (CAB), Inter-American Development Bank (IADB), Regional Center for Book Promotion in Latin America and the Caribbean (CERLALC), World Intellectual Property Organization (WIPO), the Organization of American States (OAS), Andean Community (CAN), Organization of Ibero-American States (OEI), Spanish Agency of International Cooperation for Development (AECID), UNESCO, MERCOSUR (SIC-SUR), Fund for Partnership Cooperation (FEMCIDI).

2.1.5. Schedule of results

A description of the principal output tables used to present the CSA appears in the pages that follow⁵:

Production Accounts

The economic valuation of production is made for activities producing goods and services that can be supplied by one economic agent to another. In the particular case of the SCA, this valuation is exclusively referred to the productive processes of the establishments that have, as main production, products considered as characteristic of culture in the CAB Manual. The production account values both total production and inputs in those processes. The production is developed under the responsibility, control, and management of an institutional unit, which employs labor inputs, capital, and goods and services to transform them into other goods and services.

Intermediate consumption is the value of the goods and services used as inputs to the production process; these goods or services may be transformed or consumed by the same process.

Value added measures the additional value created in the production process, thus it should be estimated including as an important production cost the valuation of the consumption of fixed capital. However, in practical terms, this variable is difficult to measure as it is difficult too to carry out a consistent estimation overtime, therefore, for the SCA, the value added figures are given gross, that is, without accounting for the use up of capital used in the process.

The basic equation behind a production account is:

$$\text{Production} - \text{Intermediate consumption} = \text{Value added}$$

The production accounts of the CSA include exclusively the valuation of the total productions (main production and secondary productions with a given discrimination) of establishments whose main production correspond to characteristic products of

⁵ There is a particular process called OUTPUT that contains the route to the information and the definition of production accounts, supply and use tables and expenditure accounts.

culture. The calculation of the production accounts of the activities that generate these products as a secondary production will be included in a second phase once the measurements corresponding to the cultural domain has been completed.

The next table presents the output table of the production account. It is a unique format used in the publication of results by activity of the cultural segments.

Table Nr.
Cultural Satellite Account
Production Account
ACTIVITY NAME
Series (Years)
Current or constant prices

	units							
Concepts	2005	2006	2007	2008	2009	2010	2011	...n
1. Production account								
P.1. Production								
P.2. Intermediate consumption								
B.1. Gross value added								

Source: Calculations.

Supply and Use Table (SUT)

This table includes the analysis of the components of supply, in contrast with the variables of demand for a particular good or service. The supply of a product includes domestic production and imports. Different economic agents use this supply of the product that enters to the economy in an accounting period in different ways.

“Goods are physical, produced objects for which a demand exists, over which ownership rights can be established and whose ownership can be transferred from one institutional unit to another by engaging in transactions on markets. They are in demand because they may be used to satisfy the needs or wants of households or the community or used to produce other goods or services, or to become capital goods. The production and exchange of goods are quite separate activities. Some goods may

never be exchanged while others may be bought and sold numerous times” (SNA 2008, par. 6.15).

“The production of services must be confined to activities that are capable of being carried out by one unit for the benefit of another. Services are the result of a production activity that changes the conditions of the consuming units realized by the activities of producers at the demand of the consumers. Services are not separate entities over which ownership rights can be established. By the time their production is completed, they must have been provided to the consumers”(SNA 2008, par 6.16 & 6.17).

The general equation of a SUT is:

$$\text{Output + imports} = \text{intermediate consumption + final consumption} \\ + \text{capital formation + exports}$$

The structure of SUT included in the CSA is similar to the SUT of the central framework of the national accounts in their basic conception; they are different because the first will only include the valuations of products considered cultural and of those classified as characteristic of the selected segments of the cultural domain (already mentioned).

This analysis includes the total production of *cultural products*, generated both by the establishments where these products constitute their main output, and by all the other establishments (independently of the main economic activity) that produce them as a secondary output.

The next table illustrates the Supply and Use Table used as unique format in the publication of the results by product of the cultural segments.

Table Nr.
Cultural Satellite Account
Supply (at basic prices) and Use (at purchaser's prices) Table
PRODUCT NAME
Series (Years)
Current prices

	Concepts	2005	2006	2007	2008	2009	2010	2011	...n	
SUPPLY	P1. Production at basic prices									
	P.11. Market production									
	P.12. Production for own final use									
	P.13. Other non-market production									
	Total net taxes (6+7)									
	D.214. Taxes on products, except VAT and taxes on imports and exports									
	D.3. Subsidies on products									
	P.7 Imports CIF at basic prices (B3)									
	D.212 Taxes and duties on imports excluding VAT (B6)									
	Trade and transport margins									
	Trade margins									
	Transport margins									
	Non-deductible VAT									
		Total supply - Purchaser's prices								
		Total demand- Purchaser's prices								
	DEMAND	P.2 Intermediate consumption								
P.31 Households final consumption										
P.32 Government final consumption										
P.33 NPISH final consumption										
P.51 Gross fixed capital formation										
P.53 Acquisitions less disposal of valuables										
P.52 Changes in inventories										
P.6 Exports										
P.8 Losses in commercialization										

Source: Calculations.

Expenditure and its financing

The purpose of this table is measuring the total expenditure of the residents in each cultural products and the total expenditure in of each segment of the cultural domain. This inasmuch as the analysis of the production processes and their influence on the income generated in an economy, can help supporting the policies of promotion of the cultural industries, but it is not an indicator of its impact on the social and cultural development of the residents of this country. In summary the objective of this table is to show which is the expenditure in culture, who are the last beneficiaries of this expenditure and who is paying for it. The beneficiary will be the one that “enjoys” the cultural product.

The expenditure in a given segment of culture, besides the expenses in the acquisition of goods and services concerning this domain, must also include the expenses in the development of the infrastructure required for its production in the future (gross formation of capital), the inherent expenses in all cultural practices related to this specific domain, even in those that are considered non-productive activities, and the other disbursements that facilitate the access to culture.

For characteristic cultural products, information included in the table of expenditure and its financing was taken mainly from the same sources where the data for the SUT were taken, but the classification of the expenses was realized based on the acquisition principle applied in the national accounts for the expenses realized by Non Profit Institutions Serving Households (NPISH) and by public administrations providing services to households, in which the principle of the final beneficiary is applied in two special cases:

When organizations of any legal nature contract some type of performance for their employees or for the population in general (puppets, parades, street theater, etc.) these organization will appear as funding an acquisition of cultural goods and services for the benefit of their employees or the public in general, attending these events, who will be registered as beneficiaries.

When the households watch television or listen to the radio, they will be taken as beneficiaries of those radio and television transmissions inasmuch as they enjoy the

contents of these transmissions, which are funded by the enterprises that pay advertising schedules.

The general equation of the expenditure table is:

Total Expenditure (Beneficiaries or users) = Total financing (Users, Government, NPISH)

In the expenditure table the expenditure classification is different from the classification by economic use (demand) that is used in the SUT. The format for the table of expenditure and its financing appears below the format of the table of the expenditure and financing account (See footnote 5).

Cultural Satellite Account
Expenditure and its financing account -left side
PRODUCT NAME
Series (Years)

USERS / BENEFICIARIES						DESCRIPTION
TOTAL	Households as consumers	Market cultural activities	Non market cultural activities	Government (collective consumer)	Other resident agents	
						1. Acquisition of characteristic and connected products classified according to ...
						1.1. Actual final consumption (beneficiary principle)
						1.1.1. Market products
						1.1.2. Individual consumption of non-market products
						1.1.3. Collective consumption of non-market products
						1.2. Intermediate consumption (beneficiary principle)
						1.2.1. Terminal cultural intermediate consumption
						1.2.2. Non terminal cultural intermediate consumption
						1.2.2.1. Intermediate consumption of characteristic and connected products by cultural activities of the same subsector
						1.2.2.2. Intermediate consumption of characteristic and connected products by cultural activities of other subsectors

-
- 1.3. Gross fixed capital formation
 - 1.3.1. Acquisition less disposals of fixed tangible assets.
 - 1.3.2. Acquisition less disposals of fixed intangible assets
 - 1.4. Changes in inventories
 - 1.5. Acquisition less disposals of valuables
 - 2. Acquisition for cultural practices (beneficiary principle)
 - 2.1. Other products
 - 3. Investment in non-financial assets made by cultural activities in non-cultural products
 - 3.1. Gross fixed capital formation
 - 3.2. Land and other non-produced assets
 - 4. Specific current transfers (no counterparts of previous accounts)
 - 4.1. Subsidies to market activities
 - 4.1.1. Direct subsidies
 - 4.1.2. By means of tax exemptions or reductions in tax rates
 - 4.2. Transfers for operation to non-market activities
 - 4.3. Other current transfers
 - 4.3.1. Sponsoring
 - 4.3.2. Patronage
 - 4.3.2.1. Patronage without tax exemptions
 - 4.3.2.2. Patronage with tax exemptions
 - 4.3.3. Other forms of transfers (voluntary contributions outside the production framework)
 - 5. Specific capital transfers (no counterparts of previous accounts)

GROSS TOTAL

NET TOTAL *

Source: CAB Manual

Cultural Satellite Account
Expenditure and its financing account -right side
PRODUCT NAME
Series (Years)

DESCRIPTION	FINANCING UNITS							
	TOTAL	Households as buyers	NPISH	General Government			Other resident agents	Rest of the world
				National	Regional	Local		
1. Acquisition of characteristic and connected products classified according to ...								
1.1. Actual final consumption (beneficiary principle)								
1.1.1. Market products								
1.1.2. Individual consumption of non-market products								
1.1.3. Collective consumption of non-market products								
1.2. Intermediate consumption (beneficiary principle)								
1.2.1. Terminal cultural intermediate consumption								
1.2.2. Non terminal cultural intermediate consumption								
1.2.2.1. Intermediate consumption of characteristic and connected products by cultural activities of the same subsector								
1.2.2.2. Intermediate consumption of characteristic and connected products by cultural activities of other subsectors								
1.3. Gross fixed capital formation								
1.3.1. Acquisition less disposals of fixed tangible assets.								
1.3.2. Acquisition less disposals of fixed intangible assets								
1.4. Changes in inventories								
1.5. Acquisition less disposals of valuables								
2. Acquisition for cultural practices (beneficiary principle)								
2.1. Other products								
3. Investment in non-financial assets made by cultural activities in non-cultural products								
3.1. Gross fixed capital formation								
3.2. Land and other non-produced assets								
4. Specific current transfers (no counterparts of previous accounts)								
4.1. Subsidies to market activities								
4.1.1. Direct subsidies								

4.1.2.	By means of tax exemptions or reductions in tax rates
4.2.	Transfers for operation to non-market activities
4.3.	Other current transfers
4.3.1.	Sponsoring
4.3.2.	Patronage
4.3.2.1.	Patronage without tax exemptions
4.3.2.2.	Patronage with tax exemptions
4.3.3.	Other forms of transfers (voluntary contributions outside the production framework)
5.	Specific capital transfers (no counterparts of previous accounts)
GROSS TOTAL	
NET TOTAL *	

Source: CAB Manual

Calculation of values at 2005 constant prices by chain-linking

The results of the CSA appear both in current values and at constant prices. This facilitates the analyses of the figures and their behavior in the series of years under study. The current prices, in economic studies, represent prices of the goods and services according to their nominal value at the time when the transaction occurs.

However, “constant prices” is a usual expression in economics to express that the monetary value of certain magnitudes and economic indicators, have been made in such a way to exclude from comparative studies, the effects of changes in prices between periods. These estimates show the dynamics of these economic phenomena once the influence of the changes in price levels has been excluded.

There are several methods to estimate values at constant prices. The most known and used few years ago, has been to express all the values using the prices of a reference year. It is called “Establishment of values at prices of a base year (or fixed base)”.

The System of National Accounts (SNA 1993 and 2008) recommended that the estimates of the changes in volume and price in the national accounts should depart from the fixed base year method due to its multiple disadvantages, and recommended instead the use of chained indices (calculated by comparisons of consecutive years) so that the results do not depend on the year taken as reference.

The procedure begins by performing the calculations at current prices and at prices of the previous year for all the years of the series. Based on these, the volume indices are calculated for each variable under study, by comparing the values of a current at prices of the previous year with the current value of the same variable in the previous year. For example: Values of 2010 at 2009 prices compared with current 2009 values.

The values “at prices of the base year by chain-linking” are obtained, applying these volume indices chained (year to year) to the current values of the base year. In the chained SUT, inasmuch as different volume indices for each variable in the table have been calculated, total supply and total demand show a difference called “statistical discrepancy”.

The international recommendation is to leave to users to decide how they want to treat the statistical discrepancy. For example, if a user requires a total identity between supply and demand, it will fit the discrepancy in the variables that better fits his/her needs.

Some characteristics of the estimates of values at constant prices by chain-linking are:

- Year to year growth rates do not depend on the year taken as base.
- It eliminates the distortions mentioned because implicit weights are updated permanently.
- The resulting values are closer to the real value than in fixed base index calculations.
- Nevertheless, statistical discrepancies appear.
- The values at constant prices by chain linking are not additive values: as a consequence, it is not possible to calculate their share of GDP; nevertheless, year-to-year, it is possible to measure the share of growth for each component.

2.1.6. Classifications used

The identification of products and activities in terms of the Central Product Classification (CPC Ver. 1.0.) and the International Standard Industrial Classification of all economic activities (CIIU Rev. 3 A.C.), and to create the groups proposed for the cultural sectors within the framework of the CSC is a considerable part of the work here described.

It is important to underline that the first results obtained on the cultural sectors, have been made using the adaptations to Colombia of the international classifications available at the time that is ISIC Rev. 3 A.C. and CPC Ver. 1.0 A.C.

The respective conversions of this research to ISIC Rev. 4 A.C. and CPC Ver. 2 A.C will be made later on. Nevertheless the tables of the respective correlations are included.

The CSA does not fit completely the national and international standards in classification matters, which explains the need to introduce particular breakdowns in agreement with the needs of the sector that is analyzed: As an example is the case of cultural education, since the classification of activities presents a general breakdown into pre-school, basic, primary, secondary, superior and other types of education, without separating by subject, that is, without identifying cultural or artistic education.

Table 2 presents the correspondence of ISIC Rev. 3 A.C. with ISIC Rev. 4 A.C., for the cultural activities as establish it the CAB Manual.

Table 2. Correspondences ISIC Rev. 3 AC vs ISIC Rev. 4 AC for activities considered cultural

ISIC Rev. 3 AC		ISIC Rev.4 AC		
Section/ Division	Group Class	Description	Class	Description
Section D	Manufacturing			
Div. 32	Publishing activities			
	221	Publishing		
		2211 Publishing books, brochures, scores and other publications	<ul style="list-style-type: none"> 3290* Other manufacturing activities n.p.c. 5811* Book publishing 5812* Publishing of directories and mailing lists 5920* Sound recording and music publishing activities 	
		2212 Publishing newspaper, journals, and periodicals	5813* Publishing newspaper, journals, and periodicals	
		2213 Publishing recorded materials	5920* Sound recording and music publishing activities	
		2219 Other publishing works	<ul style="list-style-type: none"> 5813* Publishing newspaper, journals, and periodicals 5819* Other publishing activities 	
Div.36	Manufacture of furniture; manufacturing n.e.c.			
	369	Manufacturing n.e.c.		
		3694 Manufacture of games and toys	<ul style="list-style-type: none"> 2640* Manufacture of consumer electronics 2829* Manufacture of other special purpose machinery n.p.c. 3240* Manufacture of games and toys 3312* Repair of machinery 3319* Repair of other equipment 	
Section I	Transport, storage and business activities			
Div.64	Post and Telecommunications			
	642	Telecommunications		
		6423 Broadcasting radio and television programme services	<ul style="list-style-type: none"> 6110* Wired communication activities 6120* Wireless communication activities 6130* Satellite communication activities 	
		6424 Cable communication services	<ul style="list-style-type: none"> 6110* Wired communication activities 6120* Wireless communication activities 6130* Satellite communication activities 6190* Other communication activities 	
Section K	Real Estate, Renting and Business Activities			
Div. 74	Other business activities			
	743	Advertising		Advertising
		7430 Advertising	7310 Advertising	
	749	Business activities n.e.c.		
		7494 Photographic activities	7420* Photographic activities	

Section O	Other community, Social and Personal Services activities	
Div. 92	Recreational,Cultural, and Sporting activities	
921	Motion picture, radio, television and other business activities	
9211	Motion picture and video production and distribution	<ul style="list-style-type: none"> 5911* Motion picture,video and television programme production activities 5912* Motion picture,video and television programme post-production activities 5913* Motion picture,video and television programme distribution activities 5920* Sound recording and music publishing activities
9212	Motion picture projection	5914* Motion picture projection activities
9213	Radio and television activities	<ul style="list-style-type: none"> 5911* Motion picture,video and television programme production activities 5920* Sound recording and music publishing activities 6010* Radio broadcasting 6020* Television programming and broadcasting activities
9214	Dramatic arts, music and other arts activities	<ul style="list-style-type: none"> 7990* Other reservation services and related activities 9001 Literary creation 9002 Musical creation 9003 Theatrical creation 9904 Audio-visual creation 9905 Plastic and visual arts 9906 Theater performances 9007 Life performances activities
923	Library, archives, museums an other cultural activities	
9231	Library and archives activities	<ul style="list-style-type: none"> 5912* Motion picture,video and television programme post-production activities 9101 Library and archives activities
9232	Museum activities and preservation of historical sites and buildings	9102 Museum activities and operation of historical sites and buildings
9233	Botanical and zoological gardens and nature reserves activities	9103 Botanical and zoological gardens and nature reserves activities

Source: Cultural Satellite Account Technical Group.

Table 3 presents the activities considered as cultural taken from ISIC Rev. 4 A.C. versus the cultural segments. This table facilitates the location of the cultural segments to the users of this information.

Table 3. ISIC Rev. 4 AC vs Segments of the cultural field (CAB)

ISIC REV 4 A.C. CLASSIFICATION		CULTURAL SEGMENTS
Section C	MANUFACTURING	
32	Other manufacturing	
324 3240	Manufacture of games and toys	Games and toys
Section G	WHOLESALE AND RETAIL TRADE; REPAIR OF MOTOR VEHICLES AND MOTORCYCLES	
476	Retail sale of cultural and recreational goods in specialized stores	
4761	Retail sale of books, newspapers and stationery in specialized stores	Books and publications
4762	Retail sale of music and video recordings in specialized stores	Music
Section J	INFORMATION AND COMMUNICATION	
58	Publishing activities	
581	Publishing of books, periodicals and other publishing activities	
5811	Book publishing	Books and publications
5813	Publishing of newspapers, journals and periodicals	publications
5819	Other publishing activities	
59	Motion picture, video and television programs production, sound recording and music publishing activities	
591	Motion picture, video, and television programme activities	
5911	Motion picture, video, and television (programs and commercials) production activities	
5912	Motion picture, video, and television (programs and commercials) post-production activities	Audio-visual
5913	Motion picture, video, and television (programs and commercials) distribution activities	
5914	Motion picture projection activities	
592 5920	Sound recording and music publishing activities	Music
60	Programming and broadcasting activities	
601 6010	Radio programming and broadcasting activities	Audio-visual
602 6020	Television programming and broadcasting activities	
61	Telecommunications	
611 6110	Wired telecommunications activities	
612 6120	Wireless telecommunications activities	Audio-visual

613	6130	Satellite telecommunications activities	
63		Information service activities	
639		Other information service activities n.e.c.	Audio-visual
6391		News agency activities	
Section M		PROFESSIONAL, SCIENTIFIC AND TECHNICAL ACTIVITIES	
71		Architecture and engineering activities and related technical consultancy	
711	7110	Architecture and engineering activities and related technical consultancy	Design
72		Scientific research and development	
722	7220	Research and development on social sciences and humanities	All segments
73		Advertising and market research	
731	7310	Advertising	Creative advertising
74		Other professional scientific and technical activities	
741	7410	Specialized design activities	Design
742	7420	Photographic activities	Plastic and visual arts
Section N		ADMINISTRATIVE AND SUPPORT SERVICE ACTIVITIES	
77		Rental and leasing activities	
774	7740	Leasing of intellectual property and similar products, except copyrighted works	Literary, musical, etc., creation
Section P		EDUCATION	
85		Education	
851		Early childhood, pre-primary and primary education	
8511		Early childhood education	
8512		Pre-primary education	
8513		Basic primary education	
852		Secondary and vocational education	
8521		Basic secondary education	
8522		Intermediate secondary education	Artistic Education
8523		Technical intermediate education and vocational training	
853	8530	Establishments offering different levels of education	
854		Higher education	
8541		Technical professional education	
8542		Technological education	
8543		Education in higher education institutions and technological schools	
8544		University education	
Section R		ARTS, ENTERTAINMENT AND RECREATION	
90		Creative, arts and entertainment activities	
900		Creative, arts and entertainment activities	Literary, musical,

9001	Literary creation	etc., creation
9002	Musical creation	
9003	Theatrical creation	
9004	Audio-visual creation	
9005	Plastic and visual arts	
9006	Theater activities	
9007	Life music presentations activities	Literary, musical, etc. creation
9008	Other life presentations activities	
91	Libraries, archives, museums and other cultural activities	
910	Libraries, archives, museums and other cultural activities	
9101	Libraries and archives activities	Material, natural and in material heritage
9102	Museum activities and operation of historical sites and buildings	
9103	Botanical and zoological gardens and nature reserves activities	

Source: Cultural Satellite Account Technical Group.

With the purpose of guiding the economic measurements, Table 4, below, presents a list of products denominated “characteristic of the cultural domain” or simply “cultural”. They are described according to the international classification (CPC Ver. 2.0) and classified according to the cultural sectors that have been identified.

This CPC classification is based on the characteristics of the goods and the nature of the services rendered. Just as a reminder, cultural products were determined as those whose *raison d'être* consists of creating, expressing, interpreting, conserving or communicating symbolic contents. Additionally, these products must represent a substantial part of the output of the ISIC activities ISIC at 4 digits for which they are typical; this means that there is a clear interest in considering as cultural the activity producing them.

Some of the aspects to take into consideration at the time of classifying activities and products are as follows:

- **Scenic arts** include the services rendered by authors (96320), and interpreters (96310), as well as the production services for live performances (96220).
- In the case of the **audio-visual sector**, the characteristic products that fulfill the criteria of the cultural domain must be separated from the interdependent

products that mainly serve as inputs or as capital goods for cultural productions, or for supporting a cultural activity or for creating the conditions that make this activity possible, although their own nature is not to create, to express, to interpret, to conserve or to transmit symbolic contents.

- For products classified in the **design sector**, special care is needed for their inclusion; for example, in **architecture and engineering** it is necessary to distinguish the functional technical design from the esthetical architectonic design. The latter is included as cultural product but not the former.
- Both the original products and their copies should be included, since the copy contains the component of creation of the original and its use has symbolic value. That is to say, the characteristics considered as cultural are replicated in each copy of the original. This is the reason why treating as cultural, products such as : books, discs, films, magazines, radio transmission and TV, etc.

Table 4. Central Product Classification adapted for Colombia(CPC Ver. 2 A.C.) . Detailed structure and correspondence with ISIC Rev.4 A:C. and CULTURAL SEGMENTS SECTION 3 {0-4}. Other transportable goods except metal products, machinery and equipment.

DIVISION 32. PULP, PAPER AND PAPER PRODUCTS, PRINTED MATTER AND RELATED ARTICLES

Group	Class	Subclass	Title	ISIC Rev4 A.C.	Cultural segment
322			Books, in print		
	3221	32210	Educational textbooks, in print	5811	
	3222	32220	Atlas, other books of maps and graphics, leaflets of serial delivery of this titles	5811	
	3229		Other books, in print		Books and publications
		32291	Professional, technical and academic books, in print	5811	
		32292	Children's books, in print	5811	
		32299	Other books, in print	5811	
323			Newspapers and periodicals, in print, with at least 4 issues per week		
	3230	32300	Newspapers and periodicals, in print, with at least 4 issues per week	5813	Books and publications

324	Newspapers and periodicals, in print, with less than 4 issues per week			
3241	32410	Newspapers of general interest, magazines, and periodicals, in print, with less than 4 issues per week	5813	
3242	32420	Newspapers, magazines and periodicals ,of business, professional or academic interest, in print, with less than 4 issues per week	5813	
3249	32490	Other newspapers, magazines and periodicals, in print with less than 4 issues per week	5813	
325	Printed maps; music, printed or in manuscript; postcards, greeting cards, pictures and plans			
3251		Maps and hydrographic or similar charts (including wall maps, topographical plans and globes), printed, other than in book-form		
	32511	Maps and hydrographic or similar charts (including wall maps, topographical plans and globes), printed, other than in book-form	5811	Books and publications
3252	32520	Music, printed or in manuscript	5920	Books and publications music publishing
3253	32530	Printed or illustrated postcards; printed cards bearing personal greetings or messages, with or without envelopes or trimmings	5819	Books and publications
3254	32540	Printed pictures, designs and photographs	5819	
3255	32550	Plans and drawings for architectural, engineering, industrial, commercial, topographical or similar purposes, being originals drawn by hand; hand- written texts; photographic reproductions and carbon copies of the foregoing	7110	Books and publications Design
326	Stamps, cheque forms, banknotes, stock certificates, brochures and leaflets, advertising material and other printed matter			
3262	32620	Trade advertising material, commercial catalogues and the like	5819	Books and publications
3263	32630	Transfers (decalcomanias) and printed calendars	5819	Books and publications

DIVISION 38. OTHER TRANSPORTABLE GOODS, EXCEPT METAL PRODUCTS, MACHINERY AND EQUIPMENT

Group	Class	Subclass	Title	ISIC Rev4 A.C.	Cultural segment
385			Games and toys		
	3852	38520	Dolls representing human beings; toys representing animals or non-human creatures	3240	
	3853	38530	Parts and accessories of dolls representing human beings	3240	Games and toys
	3854	38540	Toy electric trains and tracks, signals and other accessories thereof; reduced-size ("scale") model, assembly kits and other construction sets and constructional toys	3240	
385			Games and toys		
	3855	38550	Puzzles	3240	Games and toys Audiovisual
	3856	38560	Other toys (including toy musical instruments)	3240	Games and toys
	3857	38570	Playing cards	3240	
	3859	38590	Other articles for funfair, table or parlor games (including articles for billiards, pintables, special tables for casino games and automatic bowling alley equipment), except video games of a kind used with a television receiver	3240	Games and toys
389			Other manufactured articles n.e.c.		
	3895	38950	Motion picture film, exposed and developed, whether or not incorporating sound track or consisting only of sound track	5911	Audiovisual
	3896	38960	Paintings, drawings and pastels; original engravings, prints and lithographs; original sculptures and statuary, in any material; postage or revenue stamps, stamp-postmarks, first-day covers, postal stationery (stamped paper) and the like; collections and collectors' pieces of zoological, botanical, mineralogical, anatomical, historical, ethnographic or numismatic interest; antiques	9005	Material heritage Plastic and visual arts Design

DIV. 47. RADIO, TELEVISION AND COMMUNICATION EQUIPMENT AND APPARATUS

Group	Class	Subclass	Title	ISIC Rev4 A.C.	Cultural segment
476			Audio, video and other disks, tapes and other physical media		
	4761	47610	Musical audio disks, tapes or other physical media	5920	Musical publishing and production
	4762	47620	Films and other video content on disks, tape or other physical media	5911	Audio. Visual
	4769		Other recorded disks, tapes or other physical media		
		47691	Audio books on disk, tape or other physical media	5811	
		47692	Text-based disks on electronic format (CD, electronic screen, among others)	5811	Books and publications
		47693	Other audio records or tapes (not musical)	5920	

SERVICES - SECTIONS {5-9}

SECTION 6.- Distributive trade services; accommodation, food and beverage serving services; transport services; and electricity, gas and water distribution services

DIV. 62.- RETAIL TRADE SERVICES

Group	Class	Subclass	Title	ISIC Rev4 A.C.	Cultural segment
621			Non-specialized store retail trade services		
	6215		Non-specialized store retail trade services, of miscellaneous consumer goods	4719	Books and publications
		62151	Non-specialized store retail trade services, of books, newspapers, magazines and stationery		
	6224		Specialized store retail trade services, of household appliances, articles and equipment		
		62242	Specialized store retail trade services, of radio and television equipment and recorded audio and video disks and tapes	4742	Musical publishing and production
	6225		Specialized store retail trade services, of miscellaneous consumer goods		
		62251	Specialized store retail trade services, of books, newspapers, magazines and stationery	4761	Books and publications

DIV. 73.- LEASING OR RENTAL SERVICES WITHOUT OPERATOR

733	Leasing or rental services concerning machinery and equipment without operator			
7332	73320	Licensing services for the right to use entertainment, literary or artistic originals	5811	Books and publications
7339	73390	Licensing services for the right to use other intellectual property products	7740	

SECTION 8.- Business and production services**DIV. 81. RESEARCH AND DEVELOPMENT SERVICES**

812	Research and experimental development services in social sciences and humanities			
8122		Research and experimental development services in humanities		
	81229	Research and experimental development services in other humanities	7220	All segments

813	Interdisciplinary research and experimental development services			
8130	81300	Interdisciplinary research and experimental development services	7210-7220	All segments

814	Research and development originals			
8140	81400	Research and development originals	7210-7220	All segments

DIV. 83. OTHER PROFESSIONAL, TECHNICAL AND BUSINESS SERVICES

832	Architectural services, urban and land planning and landscape architectural services			
8321	Architectural services and advisory services			
	83211	Architectural advisory services	7110	
	83212	Architectural services for residential building projects	7110	Design
	83213	Architectural services for non-residential building projects	7110	
8322	Urban and land planning services			
	83221	Urban planning services	7110	
	83222	Rural land planning services	7110	Design
	83223	Project site master planning services	7110	
8323	Landscape architectural services and advisory services			
	83231	Landscape architectural advisory services	7110	Design
	83232	Landscape architectural services	7110	

836	Advertising services and provision of advertising space or time			
8361	Advertising services			
	83611	Full service advertising	7310	
	83612	Direct marketing and direct mail services	7310	Creative Advertising
	83619	Other advertising services	7310	

SECTION 8. Business and production services
DIV. 81. RESEARCH AND DEVELOPMENT SERVICES (Final)

836	Advertising services and provision of advertising space or time			
8363	Sale of advertising space or time (except on commission)			
83631	Sale of advertising space in print media (except on commission)		5812-5813	Books and publications
83632	Sale of TV/radio advertising time (except on commission)		6010-6020	Audiovisual
838	Photography services and photographic processing services			
8381	Photography services and event videography services			
83811	Portrait photography services		7420	
83812	Advertising and related photography service		7420	
83813	Event photography and event videography services		7420	Plastic and visual arts
83814	Specialty photography services		7420	
83815	Restoration and retouching services of photography		7420	
839	Other professional, technical and business services n.e.c.			
8391	Specialty design services			
83911	Interior design services		7410	
83912	Industrial design services		7410	Design
83919	Other specialty design services		7410	
8392	83920	Design originals	7410	

DIV. 84. TELECOMMUNICATIONS, BROADCASTING AND INFORMATION SUPPLY SERVICES

843	On-line content			
8431	On-line text based information			
84311	On-line books		5811	Books and publications
84312	On-line newspapers and periodicals		5813	Books and publications
8432	On-line audio content			
84321	Musical audio downloads		5920	Musical publishing and production
8433	On-line video content			
84331	Films and other video download		5911	Audiovisual
844	News agency services			
8441	84410	News agency services to newspapers and periodicals	6391	Audiovisual
8442	84420	News agency services to audiovisual media	6391	

845			Library and archive services		
	8451	84510	Library services	9101	Material
	8452	84520	Archive services	9101	Heritage
846			Broadcasting, programming and programme distribution services		
	8461		Radio and television broadcast originals		
		84611	Radio broadcast originals	6010	Audiovisual
		84612	Television broadcast originals	6020	
	8462		Radio and television channel programs		
		84621	Radio channel programs	6010	Audiovisual
		84622	Television channel programs	6020	
	8463		Broadcasting services and multi-channel programme distribution services		
		84631	Broadcasting services	6010-6020	
		84632	Home programme distribution services, basic programming package	6110 6120 6130	
		84633	Home programme distribution services, discretionary programming package	6110 6120 6130	Audiovisual
		84634	Home programme distribution services, pay-per-view	6110 6120 6130	

SECTION 9. Community, social and personal services

DIV. 92. EDUCATION SERVICES

Group	Class	Subclass	Title	ISIC Rev4 A.C.	Cultural segment
921			Early childhood and pre-primary education services		
	9210		Early childhood and pre-primary education services		
		92101	Early childhood education service	8511	Artistic education
		92102	Pre-primary education service	8512	
922			Primary education services		
	9220	92200	Primary education services	8513	Artistic education
923			Secondary education services		
	9231	92310	Lower secondary education services, general	8521	Artistic Education
	9233	92330	Upper secondary education services, general	8522	
	9234	92340	Upper secondary education services, technical	8523	
924			Post-secondary non-tertiary education services		
	9241	92410	Post-secondary non-tertiary education services, general	8523	Artistic Education
	9242	92420	Post-secondary non-tertiary education services, technical and vocational	8523	
925			Superior (tertiary) education services		
	9251		First stage (pre-graduate) superior (tertiary) education services		
		92511	First stage (pre-graduate) superior (tertiary), pre-graduate, technical professional, technological, and its specializations, education services	8541 8542 8543	Artistic Education
		92512	First stage (pre-graduate) superior (tertiary), university	8543 8544	

		education services		
9252		Post-graduate (tertiary) education services		
	92521	Post-graduate (tertiary),specialization, education services	8543	
	92522	Post-graduate (tertiary), magister, education services	8544	Artistic Education
	92523	Doctorate and post-doctorate education services	8544	
929		Other education and training services and educational support services		
	9291	Other education and training services		
	92911	Cultural education services	8563	Aristic education

DIV. 92. RECREATIONAL, CULTURAL AND SPORTING SERVICES

961		Audiovisual and related services		
	9611	Sound recording services		
		96111 Sound recording services	5920	Musical publishing and production
		96112 Live recording services	5920	
		96113 Sound recording originals	5920	
	9612	Motion picture, videotape, television and radio programme production services		
		96121 Motion picture, videotape, and television programme production services	5911 6020	
		96122 Radio programme production services	5920 6010	Audiovisual
		96123 Motion picture, videotape, television and radio programme originals	5911 5920	
961		Audiovisual and related services		
	9613	Audiovisual post-production services		
		96131 Audiovisual editing services	5912	
		96134 Visual effects services	5912	
		96135 Animation services	5912	
		96136 Captioning, titling and subtitling services	5912	Audiovisual
		96137 Sound editing and design services	5920	
		96139 Other post-production services	5912	
	9615	96150 Motion picture projection services	5914	
962		Performing arts and other live entertainment event presentation and promotion services		
	9622	96220 Performing arts event production and presentation services	9006 9007 9008	Scenic arts and artistic spectacles
963		Services of performing and other artists		
	9631	96310 Services of performing artists	9006 9007 9008	
	9632	96320 Services of authors, composers, sculptors and other artists, except performing artists	9001 9002 9003 9004 9008	Plastic and visual arts

9633	96330	Original works of authors, composers and other artists except performing artists, painters and sculptors	9001 9002	Creativity (Literary, musical, etc.)
964		Museum and preservation services		
9641		Museum and preservation services of historical sites and buildings		
	96411	Museum services except for historical sites and buildings	9102	Material
	96412	Preservation services of historical sites and building	9102	Heritage
9642		Botanical, zoological and nature reserve services		
	96421	Botanical and zoological garden services	9103	Natural
	96422	Nature reserve services including wildlife preservation service	9103	Heritage

2.2. ELABORATION METHOD

The following paragraphs present the sources of information used by the CSA for each activity and products included in this research and the variables calculated from the collected data.

Definition of the sources of information

Table 5 presents the sources used in each cultural segments included in this document. The same source of information might be used several cultural segments, as it happens with the surveys conducted by DANE.

Table 5. SOURCES OF INFORMATION and CULTURAL SEGMENTS AND SUB-SEGMENTS

Sources used	Cultural segments	Cultural subsegments	
DANE_EAM Manufacturing Annual Survey	Publishing activities	Publishing of books Publishing of newspapers, journals and periodicals Other publishing activities	
	Publishing activities	Sound or analogous phenomena recording on records, tapes and other materials	
	Games and toys	Games and toys	
DANE_EAS Services Annual Survey	Audiovisual	Videos Motion picture projection rights Motion pictures Motion picture projections Radio and television	
		Advertising creation	Advertising creation
		Phonographic music	Sound or analogue phenomena recording on records, tapes and other materials
DANE_EAC Trade Annual Survey	Games and toys	Games and toys	
	Phonographic music	Sound or analogous phenomena recording on records, tapes and other materials	
DANE_EEC Cultural Consumption Survey	Phonographic music	Sound or analogous phenomena recording on records, tapes and other materials	
DANE_Form C-600	Cultural Education	Basic Primary and Medium Secondary Education	
DANE_GEIH Integrated Household Survey	Phonographic music	Sound or analogous phenomena recording on records, tapes and other materials	
Motion Picture System of Registration and Information (SIREC)	Audiovisual	Videos Motion picture projection rights Motion pictures Motion picture projections Radio and television	
		Videos Motion picture projection rights Motion pictures Motion picture projections Radio and television	
		Videos Motion picture projection rights Motion pictures Motion picture projections Radio and television	
		Videos Motion picture projection rights Motion pictures Motion picture projections Radio and television	
National Television Commission	Audiovisual	Audiovisual	
General Accounting Office	Audiovisual	Audiovisual	
	Publishing activities	Publishing of books	
Superintendency of Companies	Audiovisual	Audiovisual Publishing of books	
	Publishing activities	Publishing of newspapers, journals and periodicals Other publishing activities	
	Games and toys	Games and toys	
	Theatrical arts and artistic performances	Production and presentation of artistic performances	
	Publishing activities	Publishing of books	
Book Chamber of Colombia (CCL)	Publishing activities	Publishing of books	
Superintendency of solidarity economy	Publishing activities	Publishing of books	
International Standard Book Number (ISBN)	Publishing activities	Publishing activities	

Regional Center for Book Promotion in Latin America (CERLALC)	Publishing activities	Publishing activities
National Newspaper Association (ANDIARIOS)	Publishing activities	Publishing of newspapers, journals and periodicals
Colombian Association of University Publishing Houses	Publishing activities	Publishing of books
Banco de la República	Publishing activities	Publishing of books
International Standard Serial Number (ISSN)	Publishing activities	Publishing of newspapers, journals and periodicals
National Media Association (ASOMEDIOS)	Publishing activities	Publishing of newspapers, journals and periodicals
Colombian Institute for Promotion of Higher Education (ICFES)	Publishing activities	Publishing of newspapers, journals and periodicals
Tax and Customs Direction DIAN, Ministry of Finance	Theatrical arts and artistic performances	Production and presentation of artistic performances
	Games and toys	Games and toys
National Apprenticeship Service (SENA) Title Program	Cultural Education	Vocational training and Human development
Superintendency of Allowance Funds. Planning Office	Cultural Education	Vocational training and Human development
National System of Natural Parks Special Administrative Unit	Natural heritage	Natural heritage
National Environmental Fund	Natural heritage	Natural heritage
National Network of Botanical Gardens	Natural heritage	Natural heritage

Source: CSA working party.

Validation of the sources of information

The validation of the sources depends on the possibility of using the information for the calculation of the production accounts and the SUTs for the cultural segments studied see Table 6).

Table 6. Indicator by Cultural Segments and Sources of Information

Cultural segments	Indicator and Method for allocating production	Sources of information
BOOK PUBLISHING	List of raw materials	Manufacturing Annual Survey_EAM DIMPE_ DANE
	Cost of services	
	Gross fix capital formation	
	Change of inventories	
	Number of employees	Superintendency of Companies
	Financial statements (Balance sheet and Profit and Loss statement) for non-financial private corporations	
	Enterprises registration with ISBN	
	Registration of enterprises with the Chambers of Commerce	Colombian Book Chamber (CCL)
	Published titles	
	Sales value of own published works	
	Export of published works	
	Value and number of titles for which copyrights were paid.	General Accounting Office
	Number of employees	
	Sales value of own publications	
Financial information of the departmental publishing houses and the National Printing Office	Superintendency of Solidarity Economy	
Financial statements of cooperative organizations involved in books, newspapers or magazines publishing		
Total ISBN registers assigned to commercial publishers and to author-publishers (natural or legal person); number of copies per title and average value by copy.		
Publishers' estimates on the number of titles and copies		
Number of associates		
Advertising material in newspapers		
Number of published titles by each university publishing houses		
Libraries and museums accounting information .Publishing activity.		
Financial statements of the Banco de la República's Cultural Direction		
Total number of magazines in administrative registers. data on scientific administrative records. Serial or continuous publications, data on scientific, literary or associative periodicals		International Standard Serial Number (ISSN)
Data on advertising investment in magazines		
PERFORMING ARTS AND LIVE MUSICAL PERFORMANCES	Revenue and costs for entities involved in performing arts	National Media Association Tax and Customs Direction_DIAN Ministry of Finance
	Financial statements of non-financial private corporations involved in performing arts	
CREATIVE ADVERTISING AND DESIGN	Series of Revenue, expenditure, employees, salaries and fixed assets since 2005	Services Annual Survey EAS DIMPE_DANE

PHONOGRAPHIC MUSIC	List of raw materials				
	Cost of services				
	Gross fix capital formation	Manufacturing	Annual	Survey_EAM	
	Change of inventories	DIMPE_DANE			
	Number of employees				
	Concerts and live performances				
	Audiovisual and music	Cultural Consumption Survey		ECC	
	Cultural spaces	Political and cultural surveys project			
	Education	DIMPE_DANE			
	Cultural practices				
	Variables used: sales revenues, expenses (salaries and fringe benefits), cost of goods sold, operating costs, employees, inventories, fixed assets behavior)	Trade Annual Survey on Trade		EAC	
	Cultural sector employment (as main or secondary occupation)	DANE_GEIH	Integrated	Household	
		Survey			
	Financial statements (Balances, profit and loss) for each non-profit, private corporation	Superintendency of companies			
	Variables used: gross output, intermediate consumption, value added, total productivity (related to gross output), labor productivity (related to value added), labor cost, gross and net investment	Services	Annual	Survey	EAS
		DIMPE_DANE			
AUDIO VISUAL	Production of long or short films produced in the year	Cinematographic Registration	Information and System	(SIREC)	
	Ticket office information	Ministry of Culture			
	Financial statements (Balances, profit and loss) for each non-profit, private corporations of the audio visual sector registered in the Stock Exchange	Integrated system of information of the Stock Market		(SIMEV)	
		Superintendency of Finance			
	General Registry of TV channels and broadcasters (cable or others) and in other TV activities (9213,6423,6424)	National Television Commission			
	Accounting information for all public TV channels (national and regional)	General Accounting Office			
	Revenue, expenditure, employees, salaries and fixed assets behavior since 2005	Services	Annual	Survey	EAS
		DIMPE_DANE			
	Financial statements of the non-financial private corporations.	Tax and Customs	Direction_DIAN		
		Ministry of Finance			
GAMES AND TOYS	Variables used: Sales revenues, expenses (salaries and fringe benefits), cost of goods sold, operating costs, employees, inventories, fixed assets behavior)	Annual	Trade	Survey	EAC
		DIMPE_DANE			
	Revenue and cost for entities involved in games and toys production	Tax and Customs	Direction_DIAN		
		Ministry of Finance			
CULTURAL EDUCATION	Total enrollment in Fine Arts (Higher Education)				
	Total enrollment (Primary and Intermediate Education)				
	Average registration fee in Fine Arts programs	Ministry of Education			
	Average registration fee in Primary and Medium Education				

	Coverage indicators: fraction of the total population in a given scholar age bracket enrolled in the educational system	
	Internal efficiency indicator: Capability of the educational system to withhold the population enrolled until the completion of the complete cycle in each of the educational levels.	Register of Education institutions, enrollment and teaching staff in primary and secondary levels (Form C-600) DIMPE_DANE
	Teaching staff by educational area	
	Total enrollment	
	Public organization involved in vocational training and human development	Government Information System SIGOB. Institutional sectors. DSCN_DANE
	Technical coefficients in primary and secondary education	
	Total enrollment in Formal education and in Vocational training	Planning and development Office Superintendency of Family Allowance Funds
	Revenue and expenses of the Family Allowances Funds in formal education and vocational training	
NATURAL HERITAGE	Financial statements: Characteristic (market and non-market) and secondary productions.	
	Market production according to the operational income and non-market production as the difference between total and market productions.	
	Secondary production includes services different from the missional ones, as food and beverages, hotels, parking lots, etc.	SYSTEM OF NATIONAL NATURAL PARKS SPECIAL ADMINISTRATIVE UNIT
	Intermediate consumption corresponds with the expenditure reported in the Unique Accounting Plan (PUC).	
	Financial statements: Characteristic (market and non-market) and secondary productions.	
	Market production according to the operational income and non-market production as the difference between total and market productions.	COLOMBIAN NETWORK OF BOTANNICAL GARDENS
	Secondary production includes services different from the missional ones, as food and beverages, hotels, parking lots, etc.	
	Intermediate consumption corresponds with the expenditure reported in the Unique Accounting Plan (PUC).	

Source: CSA working party

Review and analysis of the results

Once the basic statistics requests have been attended, or the research of information in the websites of the particular source has concluded, it is possible to proceed to the calculations of the Production Accounts and the Supply and Use Tables. The consistency and coherence of the data obtained is assessed using different calculations realized by the staff in charge of it.

General calculation method

Each cultural segment and its corresponding cultural products, have a particular treatment in the calculations, given the specific characteristics of each sector.

a) Publishing activities

This group of activities includes publishing books, newspapers, magazines and other periodical publications; directories and mail lists and other works, as photos, engravings, postcards, time schedules, posters and reproductions of art works; they are characterized by the intellectual creativity required in its elaboration which is protected by copyright.

- Classification of the activity and its products

For the CSA and within the publishing sector the following activities were selected, classified in the ISIC Rev. 3 A.C.: publishing of books, brochures and scores (2211); publishing of newspapers, magazines and other periodic publications (2212); and other publishing (2219).

Publishing is considered a productive industry, according to the CAB Methodological Manual. It treats its production as economically valued within the cultural domain, because it obtains products having for purpose collecting and disseminating symbolic contents. According to ISIC, publishing comprises a set of financial, technical, artistic, legal, and marketing activities⁶. Their purpose is to obtain the reproduction and diffusion of an intellectual, scientific or artistic material.

⁶ ISIC Rev.3.1

A book is all kind of literary, scientific or another type of work, with the extension necessary to form a volume and can treat any topic. According to the definition of the United Nations Organization for the Education, Science and Culture (UNESCO) a book must have fifty or more pages (twenty-five sheets or more); if it has between five and up to forty-nine pages, it is a leaflet (from 3 to 24 sheets) and from one to four pages, it is considered as a set of “loose leaves” (one or two sheets)⁷.

Although this definition does not make reference to the support, it should be mentioned that the digital or electronic book knows a growing use everywhere. In addition, books can also be found in audiobook format.

Book publishing is the industry that takes care of the production and dissemination of all types of books (literary, technical, encyclopedic, of entertainment, comics, informational, etc.). In some cases, the authors may be their own publishers.

A serial publication is one whose volumes follow one another in numerical or chronological order, under a common title and in indefinite number, whereas a periodic publication is a serial publication that appears at regular intervals of time such as: newspapers, periodic publications, yearbooks, reports series, reports of institutions, series of minutes, and monographic conferences series.

A newspaper is a publication disseminated normally with a daily or weekly regularity, whose main function is to present news, chronicles, interviews, and literary or opinion articles. The newspaper may also present diverse public positions and, in most cases, its economic income is based on publicity insertions.

Today, within the periodic publications, the magazines are one of main means of dissemination of information. In particular a great part of scientific research is communicated in specialized magazines. All new topics receive a first presentation in magazines, in which basic elements and hypotheses are formulated, that will frequently have, an ulterior development in books. They are also a fundamental complement of literature on any topic, allowing to follow the currents of opinion and thought.

⁷ 2009 UNESCO Framework for Cultural Statistics.

Publishing “periodicals” activities include: the hierarchical structuring of articles by order of importance, the organization in the space of text, image and, sometimes, audio-visual (multimedia) contents, in printed and electronic media. The publishing design includes ampler phases of the process, from the graphical project to the denominated production processes: pre-press (preparation for impression), press (impression) and post-press (finishing).

- Observation Units

Enterprises and establishments having publishing as their main activity represent them.

- Description and sources of information for the calculations referred to publishing books, leaflets and scores

The following sources provide the basic statistics used:

Annual Manufacturing Survey

This survey (EAM) is the main source of information for this product and includes establishments for which publishing is their main activity, as well as other that have publishing as a secondary activity.

For the calculation of the main production, the establishments classified in activity 2211 (Publishing books, leaflets and scores) were included. For them only the values associated with the product “Publishing books, leaflets and scores” in chapter VIII were selected. It should be mentioned that some establishments were not properly classified since they were including organizations dedicated exclusively to book impression. Thanks to the joint work of DANE staff in charge of the EAM with the Colombian Book Chamber (CCL) it was possible to define the establishments that should be included in this classification.

With respect to the calculation of the secondary productions, the values retained were taken as the total production of all the products of these establishments, except the values of the product “Books, pamphlets and scores”.

Intermediate Consumption was calculated from the raw materials consumed by the establishment, plus the energy bought, other goods and services used in the productive process (among them: public services, operating expenses, rents, publicity, etc.).

The general equation for the calculation of intermediate consumption for establishments of the EAM is:

$$\begin{aligned} \text{Intermediate consumption (IC)} &= \text{Raw materials consumption} + \text{Energy} \\ &\quad \text{consumption} \\ &\quad + \text{Other goods and services consumption} \end{aligned}$$

Where:

Raw materials consumption: is obtained from EAM Chapter IX: Raw materials and materials and packaging consumption “during the year”.

Electric energy consumption: the value of the electrical energy consumed is taken from numeral 1, chapter V, “Power consumption during the period”.

Consumption of Other goods and services: it is obtained from chapter IV (Other costs and expenses associated with the industrial activity during the period), taking only the items considered as IC and disregarding taxes, royalties, and provisions, among others. On the other hand, in chapter III the concept “Value of the services of the enterprises that provide temporary personnel to the establishment” is considered as intermediate consumption.

It is necessary to consider that although the general structure of the EAM form has changed year after year, in such a way that some variables that are in Chapter III for a year, appear in Chapter IV in another, it is also true that each specific variable of the expenditure maintains its original code so that the comparability of the times series is not affected.

Superintendency of Companies

This institution collects the financial statements (Balance sheet and Profit and loss statements) for all private non-financial corporations with total assets above 30.000 minimum monthly legal wages and with total revenue above 30.000 minimum monthly legal wages at the closing date of the civil year (December 31st). The economic activity of these corporations is classified according to ISIC Rev.3.

The variables that are taken into account for the calculation of production and intermediate consumption are obtained through an equivalence table elaborated by the National Accounts Division. This table correlates the codes of the Unique Accounting Plan (designed by the Superintendency) with those of the national accounts operations. It is important to emphasize that the information from this source corresponds to **enterprises** not to establishments, and production figures are not discriminated by products. Therefore, it has been necessary to directly request from the corporations classified as ISIC Rev 3 Class 2211 "Publishing of books, brochures, musical books and other publications" their main output and the share of characteristic and connected products in the total output as reported by EAM.

The information derived from the Superintendency of Companies is compared with that provided by EAM. When a corporation is included in both sources, preference is given to the data collected in EAM. Although the Superintendency is a very good source of information, EAM includes information discriminated by products, both for output and for intermediate consumption.

Colombian Book Chamber (CCL)

The surveys of CCL to commercial publishing houses provide information on the number of published titles, the value of the own edition sales, edition exports, value and number of titles for which copyright has been paid. These data complement the information derived from the EAM and the Superintendency of Companies and were included in the CSA.

General Accounting Office (CGN)

This institution is in charge of consolidating the financial information of all the government organizations as well as that of public enterprises, among them the Departments' Printing Offices and the National Printing Office.

Superintendency of Solidarity Economy

The financial statements of the Teachers' Publishing Cooperative were obtained from this Superintendency.

International Standard Book Number (ISBN)

From this source the following data were obtained: total ISBN assigned to commercial publishing houses and to author-publishers (natural and legal persons); number of units by title for the series corresponding to the 2005-2010 period and average value per unit for 2005. For years 2006 to 2010 this value was adjusted with the CPI for books. From this source were also neither derived the data corresponding to establishments not reporting to EAM nor controlled by the Superintendency of Companies. The technical coefficient of intermediate consumption derived from EAM was assigned to them.

For the calculation of the book edition production activity carried out by public and private non-publishers establishments, the information was taken from the ISBN, and the same treatment applied to commercial publishing houses in this source was applied to the non-publishers.

Regional Center for Book Promotion in Latin America and the Caribbean (CERLALC)

This source shared with the CSA the following statistics: *Commercial Publishing Statistics. Number of Titles and Number of Copies Estimated by the Publishers*, series for 2005 and following years and *Ibero-American Space for Books, 2010*, a study based on the information on the total ISBN registries in Colombia. These documents indicate that in Colombia, on average, about 150 publishing houses are registered.

University Publishing Houses Association of Colombia (ASEUC)

This association shared with the CAB its *Study on University Publishing Activity*, which on the basis of surveys and on the information of the ISBN registry, provided the number of titles published by each university publishing house. This information was treated in the same way as that of commercial publishing houses included in the ISBN (see above), regarding number of copies per title and the value per copy.

Network of Independent Publishing Houses of Colombia (REIC)

Its members are 30 publishing houses in six cities: Barranquilla, Bogotá, Calarcá, Cali, Cartagena and Medellín, all of them with registries of the ISBN.

Banco de la República

This organization besides being the Colombian Central Bank, is one of the official institutions most committed to the promotion of the cultural activities, whereas it is in charge of a network of libraries and museums, besides realizing a permanent publishing activity. The relevant information, in particular the accounting one, was shared with the staff in charge of this research. The Central Bank also provided information on the acquisitions of books, newspapers, periodic magazines and publications by its libraries, which were classified as Gross Fixed Capital Formation (GFCF).

All the enterprises and establishments included in the study have a Number of Tributary Identification (NIT). This made possible to crosscheck the information of all the sources consulted to avoid a possible duplication of data.

- **Description and sources of information on the activities publishing of newspapers, magazines and periodicals and explanation of the procedures of estimation.**

Sources of statistics:

Manufacturing Annual Survey (EAM) and Superintendency of Companies: the treatment of the data of these sources, for the activity “Publishing of newspapers, journals and periodicals” is similar to the treatment of “Publishing books”, already described.

Colombian Newspaper Association (ANDIARIOS): since 2005 this association includes fifty-one newspapers. Its directory served for the identification of these enterprises in the EAM and the Superintendency of Companies.

National Mass Media Association (ASOMEDIOS): since 2005, it has ten publishing companies as affiliates that are also included in the EAM and the Superintendency of Companies. This source along with **ANDIARIOS** provided information on the advertising investment in newspapers and magazines for 2005 and later.

International Serial Standard Number (ISSN): an ISSN code is assigned to each serial publication in response to the request of its publishers or directors of the series, who fill a form, annexing a copy of the publication or the design of the publication that contains the title page and the Table of Contents. Once the ISSN is assigned, the National Center of the ISSN manages the registry and controls the publishing production of these periodical publications. Until December of 2011 ICFES was the organization in charge of this registry and since then, the National Library has assumed this responsibility.

The registries of the ISSN include data on periodic publications of scientific, literary, etc. content or issued by of different associations, but they do not include the newspapers and news magazines included in the previous sources. Its information includes: publishing house responsible, title of the publication, city, and frequency

(annual, biannual, monthly, etc.), and type of physical support (paper, WEB, DVD, CD ROM).

- **Sources of information on other publishing activities and explanation of the procedures of estimation**

This class includes the edition in print or in electronic format of: catalogs for stores, of merchandise and collections; photographs, artistic engravings, and postcards; greeting cards; schedules; forms; posters; calendars; art work reproduction; clothing designs on paper; advertising material, even leaflets of discount coupons; other printed works; on line printing of statistics and other types of information.

These are the sources that provide the basic statistics:

- Manufacturing Annual Survey (EAM) and Superintendency of Companies

The data processing of these sources for the activity “Other publishing activities” is similar to the treatment of “Publishing books” and “Publishing newspapers, magazines and other periodicals” already described.

- **Supply and use table for the publishing sector**

The calculation of the values of the SUT is done in the same way for the characteristic products of three activities “Publishing Books”, “Publishing newspapers, magazines and other periodicals”, and “Other edition activities”.

For the elaboration of these SUT the information was taken for the characteristic production, already obtained in the production accounts of the corresponding activities, and the productions of similar products realized by establishments pertaining to other economic activities that are covered by the EAM.

The information on import and exports was taken from DANE’s research on foreign trade.

Regarding the data of the commercial margins, they were taken from the Annual Trade Survey (EAC) of DANE, for establishments specialized in selling books, newspapers and magazines.

For data on final consumption, the information of the DANE Quality of Life Survey (ECV) was used. As this source publishes an aggregate including “Books, discs and cassettes”, their components were broken down according to the structure of the 2008 Survey of Cultural Consumption (ECC).

The data on **Gross Fixed Capital Formation** (GFCF) were taken from Banco de la Republica’s financial statements. Its balance sheet presents the information of the amounts invested in assets for the Network of Libraries of this organization. These figures are broken down into books on the one hand and newspapers and magazines on the other. In addition, as a part of this variable, an estimated value of the copies of each title published in the country that have to be handed to the libraries as an enforced contribution (a tax in kind...) was included.

b) Phonographic music

In agreement with the CAB Methodological Manual, phonographic music includes two interdependent stages that make the phonographic production possible. They are closely related with copyright of the original work and with the connected rights that arise from the phonographic production. The first stage refers to the creation of the original work when the composition (music and words) is generated. The created work becomes the most important asset used in the second stage, from which the phonographic production obtains the “master” that will allow the reproduction and use of copies of the original work, making the access to the musical content possible for consumers.

Following the recommendations of the CAB Manual, the economic measurement of the value of the creation of musical works, in the first stage, should be equivalent to the expected value of the flow of revenue that it generates. The product of this creation is an intangible asset for the creator, which requires a specific treatment. This measurement will be developed in a later stage, since due to the specificities and importance of musical creation, the Manual includes the creation as one of the twelve segments contemplated in the definition of the cultural domain. The results presented here correspond to the second stage that is the production of phonographic music from this created content.

The economic activity deployed by the phonographic producer (a natural or legal person) corresponds to that of obtaining for the first time a reproducible format of the execution of a musical work. That is the entity that commits economic resources to elaborate the “master” copy. This recording may have a physical or digital support⁸.

The development of a phonographic project implies two major activities: the executive production in charge of all the planning and follow up of the phonographic project, the selection of the artist interpreter and the executants who will participate in the project, the selection of the musical repertoire which they will record, etc.; and the musical production, in charge of the final adjustments of the musical work, the recording process, the mixing and audio mastering, that finally will be materialized in the phonographic work.

After obtaining the finished product, considered as the original of the musical work, follows the reproduction of the phonogram in a physical support (for example a compact disc). This process is considered a manufacturing activity of reproduction of musical material from an original or a “master”. Nevertheless, with the development of new technologies and the facility to use tools such as Internet, the access to recorded music is also possible through new channels different from the traditional ones as the radio. Phonographic music may be obtained by unloading musical contents from the Internet. This generates a value by its reproduction or storage in Internet in formats like MP3, or simply it is possible to access to the musical content without storing it in some device, through specialized pages in Internet.

A permanent dynamics of transformation of the access and consumption of recorded music has appeared in the last decade, and has had influence on the sustainability of the enterprises that develop this activity. The phonographic producers, the interpreters, the authors and/or composers (who at present have been transformed into independent phonographic producers) have faced the need to adapt to the new and diverse forms for accessing the musical contents. This explains why its economic valuation is becoming a challenge. For this reason, it is necessary to underline that the

⁸ “Copyright and connected rights in the music industry”. National Direction of Copyright (DNDA), Ministry of Internal Affairs, p. 14.

information included hereafter corresponds only to formal enterprises. In other words, there is a universe of informal producers that by their characteristics are not included in the surveys (nor in the other sources of information) and consequently which economic behavior is not possible to measure for the time being.

Also, it has to be emphasized that as a consequence of the simplicity of unloading phonographic music through Internet, without restriction, its possible reproduction at a very low cost in compact disc for its possible commercialization, the information on illegally reproduced and commercialized music is only partial. This causes an open invitation to look for effective mechanisms that would allow to obtain this type of information and thus to understand the complete dynamics of this activity.

- **Classification of the activity and products**

The CAB Manual recommends working with ISIC Rev. 4; nevertheless, presently, the sources of information report according to ISIC Rev. 3 A.C. Therefore, activity 5920 (ISIC Rev. 4): “Sound recording and music publishing activities”, has been taken as equivalent to activity 2213 (ISIC Rev.3 A.C.): “Publishing of recorded materials”.

In relation to products of this activity, the Manual takes as reference the Central Product Classification CPC Rev. 2. The products associated with the production of phonographic music were made equivalent with the CPC Rev.1 A.C, the classification used by the sources of information at the time of this research. The characteristic products of activity ISIC 2213 are: **32260** “Music printed or in manuscript” (this product is incorporated in the product “books”) and **47520** “Records, tapes and other recorded materials media for sound or similarly recorded phenomena (except photographic films and cards with magnetic stripes)”.

- **Units of observation**

Enterprises and establishments producing phonographic music (Main activity).

- **Sources of information and explanation of the procedures of estimation**

For elaborating the production account of phonographic products, the SUT and the expenditure account and its financing, the sources of information used were the following:

- Manufacturing Annual Survey
- Annual Trade Survey
- Integrated Household Survey (GEIH)
- Superintendency of Companies
- Colombian Association of Interpreters and Phonographic Producers (ACINPRO)
- Association of Authors and Composers (SAYCO)
- Association for protection of the intellectual property on phonograms (APDIF)

For identifying the universe of enterprises and establishments engaged in phonographic production, the Manufacturing Annual Survey, the Superintendency of Companies, the Colombian Association of Interpreters and Phonographic Producers (ACINPRO), and the Association for protection of the intellectual property on phonograms (APDIF) were used.

For enterprises and establishments in phonographic production activities, it was necessary to reclassify some of them. Some enterprises reporting under activity 2213 (Publishing of recorded materials) in the EAM, reported in the Superintendency of Companies under activity 2240 (Reproduction of recorded materials). It was then decided to give priority to EAM and to take the information from this survey for the enterprises in the two sources. Also, based on the document “Impact of the phonographic sector in the Colombian economy” (CAB, 2003) it was possible to establish that establishments classified in EAM in activity 2213 are establishments which main activity corresponds actually to 2240.

Therefore, the identification of enterprises classified in the activity “reproduction of recorded materials” and did not develop this activity, and the enterprises classified in another activity and which in fact produced phonographic materials, was possible by a refined analysis. The careful treatment of data for 2005-2010, showed the dynamics of this activity and in particular that several enterprises were liquidated in this period.

The directories of ACINPRO and APDIF were the main reference for identifying enterprises which main activity is “publishing recorded materials”. As a consequence, it was possible to establish the formal phonographic producers existing in the country. When an enterprise was identified in some source and its classification as

phonographic producer was uncertain, its main activity was confirmed by a direct request. Finally, the registry of formal enterprises active in phonographic production was more complete than the original one.

- **Production Account for publishing recorded materials**

Sources reporting useful accounting information were selected from the Manufacturing Annual Survey, the Superintendency of Companies, the Association of Authors and Composers and Colombian Association of Interpreters and Producers.

The value of output was taken from the EAM variable “Value of production” in chapter VIII “Products, by-products and works carried out by the establishment”. In the information of the Superintendency of Companies, the operational income data were used to calculate the value of output of the enterprises.

Some enterprises reported by the Superintendency of Companies did not provide information for every year of the series under study. Estimates for the missing data in some year were made by assigning to them similar changes as the enterprises that reported complete data for the period.

In order to obtain the value of the production of an activity it is necessary to know the value of the main and the secondary productions of all the enterprises. The detailed information on the secondary production could only be obtained through EAM as the survey identifies separately the values of main and secondary productions. In the case of the Superintendency of Companies, the value of the secondary productions is included in the global value of operational income.

The calculation of the production value was complemented with the value of the income obtained by the phonographic producers for the use of rights connected to the phonographic musical work, as well as the collection of copyrights reported by SAYCO.

- **Intermediate consumption**

For the calculation of intermediate consumption, EAM reports the inputs consumed by the establishment, the purchases of energy, and the other goods and services used in the productive process. The information comes from chapters III and V “Other costs and expenses of the industrial activity during the period” and from chapter IX “Raw materials, other materials and packages, consumed during the year”.

In the Superintendency of Companies the information on intermediate consumption, was obtained from the financial statements, using the codes of the Unique Plan of Accounts (PUC) corresponding to all the elements that constitute intermediate consumption. This exercise is based on the equivalence made within the core framework of National Accounts between the PUC codes and the classification of National Accounts transactions corresponding to Intermediate Consumption.

As it was mentioned in the paragraph on the calculation of production, for enterprises which information was collected from the Superintendency of Companies registry, estimates based on changes observed in enterprises with complete data were used to complement missing data for some years.

- **Value Added**

The value added, which represents the value added to that of inputs in the production process is obtained as the difference between the total value of output and the total value of intermediate consumption⁹.

- **Supply and Use Table (SUT) for product “records, tapes and other recorded media for sound or similarly recorded phenomena”**

In order to elaborate the SUT of this product, the supply variables and characteristic uses of the product were identified.

⁹ The indicator of the value added shows the “value that is added to the goods and services used in the productive processes”. **Bases de Contabilidad** Nacional (1994, p. 54).

- **Calculation of the variables of supply**

The value of production was taken from the EAM: typical output of activity 2213. The value of the production of “records, tapes and other materials recorded for analogous recordings of sound” by establishments for which these products were secondary products was added; these data were also taken from EAM.

The information on imports of the product derived from foreign trade statistics.

Trade margins should be included among the variables of supply. These are content products (the phonograms) circulating on a physical support. In order to find the value of the trade margins, DANE’s Trade Annual Survey was used. The value of production of the enterprises engaged in specialized and non-specialized trade was estimated by replicating the method of elaboration of the production accounts of trade activities of the central framework of National Accounts. The value of the production of these enterprises is the commercial margin of the product.

Finally, the value of non-deductible VAT for this product was calculated following the procedures of the central framework of National Accounts.

- **Calculation of the variables of demand**

The most important variable corresponds, in this case, to households’ final consumption. The value of this item was taken directly from DANE’s Cultural Consumption Survey (ECC, DANE, 2008), more precisely households’ expenditure on purchase of phonographic music on physical support.

From this data, the value of the final consumption of households for the remaining years of the series was calculated using the annual changes of final consumption estimated in the Annual Accounts. This particular research uses as one of its sources the Quality of Life Survey (ECV, DANE), which has information on the purchases made by the households.

Nevertheless, in ECV this product is analyzed together with the product “books” as a single aggregate. The exercise consisted then in identifying the share of each of these

products using the values of the purchases of books and recorded music reported by the Cultural Consumption Survey (ECC) for year 2008.

Once the share of each product in households final consumption has been identified for 2008, the annual changes of each product in the series, derived from the National Accounts central framework, were applied to the ECC data of year 2008 to obtain the values for years 2005, 2006, 2007, 2009, 2010, and more when required.

Another variable required is the change in inventories, represented in the stock of phonographic music in physical format, under the control of the phonographic producers, the music stores, and the trade music markets. The value calculated for this variable of the demand was estimated as the difference between total supply and total demand.

Finally, the data of exports corresponds to the official foreign trade data.

- **Procedure for the calculation of illegal music in the Supply and Use Table**

As mentioned previously, the access to the phonographic musical contents can be made illegally, that is to say, without the payment of the copyright and connected rights on the creation and the phonographic production. The ECC survey was used to obtain an estimate for supply and uses of illegally phonographic music registered on physical supports in hardware as in the ECC, the purchase of music includes the purchase of illegally acquired music.

From the information on the value of total households final consumption and given that it includes legal and illegal purchases of music, it was assumed that persons buying less than \$15,000 pesos worth of music per year were purchasing illegal music. With this assumption, the percentage of participation of purchases below \$15,000 pesos, with respect to the total, gives the percentage of purchases of illegal music in value.

The percentage of purchases of legal and illegal music, applied to the total value reported by the ECC and to the values estimated for the remaining years of the 2005-2010 periods, produced a series of data separately for each of the two products. As the purchases of illegal music have an origin in the supply of the product, it was

necessary to balance purchases and production of the illegal items. It is important to understand the complexity of this subject; the percentages may reflect an undervaluation of this type of purchases; nevertheless, it makes sense to have an estimate of consumption of illegal phonographic music for a better understanding of the reality of the market.

- **Method of calculation of the expenditure account of products associated with phonographic music**

The expenditure account shows which agents pay for the cultural goods or the cultural services and which agents are the beneficiaries of these goods or services. In this sense, the expenditure account of phonographic music was elaborated using as reference the SUT for the CPC product “Records, tapes and other materials for recording sound or for analogous recordings”.

The variable of the expenditure account corresponds to the “Acquisition of characteristic and connected products”. This variable is broken down into five categories. Two of them contain information on phonographic music. (Please refer to the table on cost and its financing in DANE’s webpage). It is possible to observe in this table, that the households and the rest of the world are the financial units that bought phonographic music, are placed in the category “actual final consumption” and they are as well these same units that benefitted from this cost.

On the other hand, the financing unit denominated “other resident agents” reported information for the category change of inventories, being this same unit of financing the one that appears as final beneficiary from the point of view of the “Beneficiary / Users”. In a broad sense, it was possible to conclude from the expenditure account that the households purchase the phonographic music on physical support and the same households are the final beneficiaries of this expenditure¹⁰.

¹⁰ As mentioned for the publishing sector, the three tables with results appear in Dane’s webpage, link:[http://www.dane.gov.co/index.php\(esp/cuentas-economicas/cuentas-satelite/77-cuentas-nacionales/cuentas-anales/5833-cuenta-satelite-de-cultura--2011-2012-xxx](http://www.dane.gov.co/index.php(esp/cuentas-economicas/cuentas-satelite/77-cuentas-nacionales/cuentas-anales/5833-cuenta-satelite-de-cultura--2011-2012-xxx)

c) Audiovisual sector

The CAB Manual includes here three subsectors: cinema and video, radio, and television. The activities corresponding to these subsectors were identified according to the industrial classification currently used in Colombia¹¹.

The audiovisual production is a collective creation process involving also organizational, technical, managerial and economical activities, and requires therefore the participation of a considerable number of actors with different skills. Each of the previously mentioned subsectors presents complexities and particularities in production, trading and financing. These differences must be considered at the time of measuring them.

For instance the productions of cinema and video are closely related to copyright. These rights are the result of a creative process. Its economic valuation is to be approached from the expected values of the revenue that it generates. These productions are frequently intermediate consumption of other activities (for the case of videotapes their resulting product may be the intermediate consumption in television, publicity, of music, etc.; or, in the case of movies they may be intermediate consumption of exhibiting or distributing activities. of film) and, in some cases they may be purchased by government institutions or by NPISHs that will use them for transfers in kind to households.

On the other hand, television and radio programs (that are also closely attached to copyright) have a particular characteristic: its relative lasting time. This means that once a program has been produced, its content may repeatedly be used without significant cost. With a small expense, a program may be translated to other languages and reach ampler markets¹². It is current for these activities to have diverse financing mechanisms: from advertisers, government subsidies or donations made by the audience or other members of the community; they may be unique sources of financing or may be combined depending on each particular case.

¹¹ ISIC Rev.3 A.C.

¹² Thowse, Ruth (2005) Culture economy Manual. Radio and television broadcasting.

In the conventional industry of radio and television (free or open), the public receives the programs free of charge. There is an underlying financing scheme: the industry provides to the advertisers an audience for their commercial communication, in a given program time-grid and duration, in exchange for a given price. The previous process generates a cycle between the public, the chains and the advertisers. The quality of the programs produced and the broadcasting schedule determine the size and type of the audience. The expected effectiveness of the media will condition the price that the advertisers are ready to pay for them.

On the other hand, the main purpose of public chains, by definition funded by public institutions (although in some cases they may deal with advertisers), is not to facilitate the access of the advertisers to the audience, but to offer a free of charge service that guarantees the dissemination of information that other media do not provide.

Finally, the television by subscription gets its income both from subscribers and from advertisers. This particular mechanism introduces into the television market a greater choice for the audience given the existence of specialized channels (sports, news, movies, etc.) with lower levels of advertising intensity.

▪ **Classification of activities and products**

The audio-visual sector, in the CSA, was characterized following CIIU Rev.3 A.C as follows: "Motion picture and video production and distribution" (9211), "Motion picture projection" (9212) and "Radio and television Activities" (9213) activities, are part of the division "Recreational, Cultural and Sporting Activities" (Division 92); on the other hand, activities such as "Services of transmission of radio and television programs" (6423) and "Services of transmission by cable" (6424) are part of "Post and Telecommunications" (Division 64).

According to ISIC Rev. 3 A.C "Motion picture and video production and distribution" (9211) includes:

- Production of fiction and non-fiction movies using cinematographic tape or video for exhibition in cinemas or transmission by television. It usually includes the production in movie studios or special studios for the creation of cartoons.

The products may be fiction films, documentary films, short films, etc., used for public entertainment, publicity, education, training and information, as well as films on religion, cartoons, etc.

- Ancillary activities, realized for a payment or contract, such as the assembly and dubbing of films, etc.
- Distribution of films and videotapes to other industries, but not to the public in general. It refers to the sale or the rent of films and videotapes to other industries, and to connected activities of the film distribution and videotape distribution, such as classification, delivery, filing, etc.¹³.
- “Motion picture projection” (9212) includes the exhibition of films and videotapes in cinemas, outdoors, private spaces and other premises for exhibition.
- “Radio and television activities” (9213) covers: the production, either live, or in tape or another recording material, of radio and television programs by broadcasters and programmers, for immediate or later dissemination. The programs may be used for entertainment, promotion, education, qualification and dissemination of the news. Generally, the result of the production activities is a tape that may be sold, rented and filed for its opportune transmission or broadcasting. These activities also include the dissemination of sport news, weather forecasts, interviews, etc.”.
- “Radio and television programs transmission services” (6423) comprises: the network service required for the transmission of visual and audio signals through repeating radio and television stations and satellites. It includes the rental service of signals and satellite facilities and the integrated services of connection and services integrated to the network.
- “Services of transmission by cable” (6424) includes the transmission by cable of radio and television programs (closed system).

¹³ ISIC Rev. 3 A.C.

Additionally, to the classification by activity using code ISIC Rev. 3 A.C, some correspondences is made with the Central Product Classification (CPC) Rev. 1,1 and National Accounts 2008 through the association of activities and their characteristic products (See Table 5).

▪ **Units of observation**

The observed units are natural persons, establishments and corporations who constitute the producing units involved in the production and distribution of motion pictures and videotapes, the exhibition of movies and videotapes, radio and television, transmission services of radio and television programs and the transmission by cable services.

▪ **Description and sources of information used in the calculations**

For the construction of the production account of activities 9211, 9212, 9213, 6423 and 6424, different sources of information were used, allowing a closer view of the universe of agents involved in these productions:

- Enterprise Registry and Reporting System (SIREM)
- Superintendency of Companies (and its website)
- Annual Services Survey (EAS)
- Cinematographic Registry and Information System (SIREC) Ministry of Culture
- Integral System of Information of Stock Market (SIMEV)
- Superintendency of Finance
- National Television Commission
- General Accounting Office

At the beginning of this research there was no directory available referring to the universe of agents carrying out (as main or as secondary activity) the activities of the audiovisual sector.

Different sources provided the information required for establishing the production accounts of the different activities. In particular, for “Production and distribution of films and videotapes” and “Exhibition of films and videotapes”, the information

available at the Direction of Cinematography the Information System and in SIREC of the Ministry of Culture, made possible not only to identify the agents carrying out the activities related to the cinematographic sector (film production and exhibition), but also to count with budgetary and production information of the identified agents.

Given the characteristics of the information required for the implementation of the Law of Cinema (Law 814, 2003) the SIREC has information on all the agents who produce movies (regular and short films) and who exhibit them. Thanks to this source the agents associated with this activity (either as main or secondary activity) were determined. For the activity "Exhibition of movies and videotapes" it was possible to find the agents involved in it and to differentiate whether they develop it as primary or as secondary activity; this fact will be reflected both in the production account and in the SUT.

The sources of information for the other activities only report on enterprises which main activity corresponds to the codes 9213, 6423 and 6424. The Superintendency of Companies and the Superintendency of Finance were considered reliable sources of information on enterprises that develop, as main activity, the "Production of radio and television programs" (9213) and the "Services of transmission of radio and television" (6423).

Additionally, the Superintendency of Companies and its Information and Reporting System (SIREM), were identified as official sources from which to complement the directory of agents of all the activities of the audio-visual sector. The conditions for an enterprise to be registered in this system were already explained when describing the statistical sources for publishing activities (p. xxx) (Total assets greater than 30.000 minimum legal monthly wages (SMLV) and total revenues also greater than 30.000 (SMLV).

Though the information collected by DANE in the Annual Services Survey (EAS) includes only a limited number of enterprises, it was nevertheless useful for complementing the directories of all the activities of the sector and provided elements for contrasting the accounting information derived from other sources.

The revision of the available information in the Direction of Taxes and National Customs (DIAN), showed that it is not possible to identify which agents were active in

each years of study (2005 to 2010) as no registry of informing units is joined, and consequently it is not possible neither to compare the accounting data from this source with others, nor to use it in the calculations of production, intermediate consumption and value added.

Finally, the National Commission of Television was identified as a reliable source for organizing the directory of agents with activities related to the production and transmission of television programs (activities 9213, 6423 and 6424), which, in contrast with the information from the Superintendency of Companies and DANE's EAS provides a good insight on all agents developing the transmission of television by cable (6424) as their main activity.

- **Production accounts**

For the construction of the production accounts, it was necessary to crosscheck the data of the different sources of information to avoid duplication of agents included in several directories. This exercise was quite complex given the great number of registries in the treated sources.

Once the directories were organized, it was possible to proceed to the compilation of production, by activity and year. Given the particularities of the sources, it was necessary to carry out the calculations using different procedures.

In the case of "Production and distribution of movies and videotapes" three sub-activities were identified: Production of movies, production of video and movies distribution. Each of them was treated separately, since the sources and mechanisms to approach the information were different in each case.

- **Calculation of Production of movies (9211)**

Production is calculated on the basis of the information of SIREC that reports the amount that the exhibitors transfer every year to the producers of Colombian films, as payments of the exhibition rights; this amount corresponds to a part of the operational income of the producers. To obtain total operational income it is

necessary to include also: a) the subsidies originating in the Cinematographic Development Fund (FDC); b) the value deduced by the central government regarding taxes to investors and donors (41,25 %) according to the 2003 Law on Cinema; and c) the income obtained from foreign trade reported by DIAN.

This mechanism of valuation gives the income received every year, that is to say, the monetary flow generated by the sub-activity at the time of its evaluation.

Intermediate consumption was calculated from the budgetary information of each of the movies in progress¹⁴, corresponding to pre-production, production, post-production and promotion expenses, independently of the year of opening of the film itself (first formal exhibition). This scheme respects the real time pattern of the production activity, in accordance with the real cash flow generated by the production process. It must be mentioned that the valuation mechanism does not include in detail the value of secondary products derived from the same activity or the corresponding intermediate consumptions. Therefore they are not reflected in the SUT.

By the same token, the limitations in the information do not allow estimating the corresponding income from rights of distribution in formats like DVD or for transmission in television and thus to obtain the total production of movies and videotapes.

The estimates for production of video and its intermediate consumption required the reclassification of some establishments originally classified in activities as 9213, (this is the case of TELESET and FOX TELECOLOMBIA). They realize activities of audio-visual production in video that are not directed strictly to television, but generate great amount of material that can be used in other activities, as advertising or even music. Additionally, the enterprises classified in the activity 9211 by the Superintendency of Companies and by the EAS were included although they do not match with agents identified in the SIREC.

The information available in the SIREC was used in the calculation of the production of "Distribution of movies and videotapes", (MACROCINE module) complementing it with

¹⁴ Information provided by the Direction of Films and the information and Registry System of Films.

the information of the module Ticket Office Analysis, also from SIREC. This source provides detailed information on the amounts paid by the exhibitors to other agents related to the chain (distributors, producers, Cinematographic Development Fund, etc.); among them the “sum of payments made to the distributors of non-Colombian films”, which in aggregate represents the income of all the agents the “distribution of film and videotapes”.

There is not information available on “distribution of movies and videotapes” for 2005. It was then necessary to estimate this value using the average participation of the yearly payments made by exhibitors to distributors in the total of the Ticket Office from 2006 to 2010. This average (36.34%) was applied to the total of the Ticket Office of year 2005 to find the value of the production of the distribution of film and videotapes.

As for the calculation of the intermediate consumption, the information of the operational costs of the agents identified SIREC was used crosschecked with other sources (Superintendency of Companies and EAS) and was also related to the Ticket Office total for each year, obtaining an approximate value of the intermediate consumption for each year of the period under study.

The value added of each sub-activity was calculated as the difference between the total value of output and the total value of intermediate consumption. Finally, to obtain the total of production, intermediate consumption and value added of “production and distribution of movies and videotapes” the estimated values for the three sub-activities (described above) were added.

For “Exhibition of movies and videotapes”, the production was calculated with the information available in SIREC (modules MACROCINE and Ticket Office Analysis). The two modules were combined in order to introduce as many agents as possible.

The figures considered as output, for the activity “Exhibition of movies and videotapes” were the income of the establishments identified by the Ticket Office concept, but, additionally, it was necessary to estimate the income for the **candy store** as secondary production, from other sources of information. For the calculation of the production account the enterprises that do not have “exhibition” as main

activity were excluded; nevertheless the output of these companies is included in the SUT for the product “exhibited films”.

For the calculation of the intermediate consumption the structure of costs found in the other sources of information was used, expanded to all the companies included in the calculation of the production account of the activity.

For 9213 “Activities of radio and television” and 6423 “Services of transmission of radio and television programs”, it was necessary to make the calculation of the production accounts by adding these two activities, since there is no clear boundary between the agents who develop them and the great majority simultaneously realize both activities.

For the calculation of this production the data from the Superintendency of Companies, the EAS, the National Television Commission, the General Accountant Office (public television channels) and the Superintendency of Finance (private channels -CARACOL and RCN-) were crosschecked. Finally, some enterprises were excluded from this calculation and reclassified in activity 9211 (Production of video).

For activity 6424 “Services of transmission by cable” the information used came from the Superintendency of Companies, the EAS and the National Television Commission. This last source has information on income for each corporation identified for 2007 and following as well as the number of subscribers for every year of the series.

Due to the lack of information in the National Television Commission, for years 2005 and 2006, it was necessary to estimate the production value following the trend of the number of registered users in cable services. On the other hand, in order to calculate intermediate consumption, a technical coefficient obtained from other sources was used, for every year and it was imputed to the companies that did not have this information after verifying the data of all the sources.

- **Supply and use tables**

It is necessary to state that, due to the limited coverage of the data available, the SUT of the products included in the audio-visual sector only reports the terminal outputs of each subsector, that is, an estimation that is net of the inputs to the production process of activities within the same sector. For this reason, the intermediate product information, the services of post-production or of cameramen, etc. are not included in this preliminary estimation.

For the case of the audio-visual sector five SUT were compiled, corresponding to the following “products”: videotapes production services; rights on movie exhibition; movies; exhibited movies, and radio and television programs transmission.

For the “videotapes production services” the output data used were provided by the enterprises in charge of this production, which is used as intermediate consumption by other enterprises.

The product “Rights on movie exhibition” includes the rights for foreign films and the rights for national films. These products become intermediate consumption of the exhibitors.

For “movies”, the cash flows generated by their production in each period, were taken into account. The use of these flows is classified as gross fixed capital formation on own account.

For “exhibited movies”, the value of output includes the income of the establishments that have this activity as principal or secondary; additionally were also taken into account the resources collected by the Cinematographic Development Fund (FDC) as taxes and rights different from VAT and the subsidies to the product (originated in the exhibition of short films), as established by the Law of Cinema already mentioned.

For “radio and television programs transmission”, the products generated by the production and the transmission of radio and television are included. The estimate of production is based on the income reported in the financial statements of all the television channels and radio broadcasters, which include the income from advertising, as well as the income of the operators of television by subscription.

Imports were calculated using the proportion established in the screen quota stipulated by law.

With respect to the variables of demand of this service, the calculation of the intermediate consumption was referred to the information on advertising investment realized by the advertising agencies. The calculation of the final consumption is the payment realized by the users of the television by subscription. Finally, the calculation of exports used the data of the financial statements of the private channels.

- **Expenditure account**

This account is constructed on the basis of the identification of the total expenditure of the agents in the economy for each cultural product and who finances and who benefits from this expenditure. For the audio-visual sector it was necessary to introduce different expenditure accounts since the different activities produce different products.

The producers of Colombian movies receive current transfers, funded by national and foreign funds, such as the Cinematographic Development Fund (FDC), managed by Proimágenes Colombia, and Ibermedia, a foreign fund. The beneficiaries are the producers of the films. The financing agents are the national government in the case of FDC and foreign countries in the case of Ibermedia.

Within the transfers some correspond to grants, with or without tax exemptions. These exemptions depend on the total amount donated and are treated according to the Law of Cinema. The amount of the grant that corresponds to the tax exemption are government forgone resources, and considered as tax exempted grants, whereas grants not subject to the tax deduction is considered as grants without tax exemption.

Movie theaters enjoy tax deductions when exhibiting Colombian short films. This deduction is a direct subsidy from the central government. The exhibitors are the beneficiaries.

Additionally, the expenditure account for radio and television program production considers three financing agents, and the households are the unique beneficiaries. On the one hand the households fund the subscription fees for cable television from

which they benefit themselves; on the other hand, the enterprises of other sectors of the economy finance part of the television by purchasing advertising services, making possible the television production from which the households benefit; finally, the central, regional and local governments fund the production of public television, from which the households benefit.

In addition, some nationally made radio and television programs are acquired by agents in foreign countries, which they finance and which benefit from them.

d) Dance, theater and live musical presentations

Theater, musical and other artistic activities are considered productive and are included in the production valued economically within the cultural field (ISIC 3 A.C. p. 158).

These activities include the production of plays for the public in general; concerts and operas; dance performances; works for summer theaters and for musicals. These activities may include one or more performances. The activities may be realized by groups, companies, orchestras and bands, but they also can consist of events performed by individual artists, actors and actresses, musicians, authors, lecturers, sculptors, painters, caricaturists, engravers, etchers, etc. Connected activities are also included, as those of handling and designing the stage scene or special effects, make-up and dresses, operation of sound and lighting equipment, agencies of ticket sale, etc.

- **Classification of activities and products**

As has been reiteratively said, CSA uses ISIC Rev. 3 A.C. Within this classification, the maximum breakdown for the culture sector corresponds to activity 9214 defined as “theater and musical activities and other artistic activities”. In these conditions it is not possible to define the production of this activity identifying separately its elements of dance, theater, and live musical presentations as was initially proposed for this study.

Additionally, CPC Rev. 1.1 identifies only product 9622 (Services of production and presentation of artistic presentations) as the characteristic product of activity 9214.

- **Units of observation**

Enterprises, establishments and natural persons having “theater, musical activities and other artistic activities”, as their main activity (9214) are the units of observation.

- **Sources of information and description of the estimation procedures**

For activity 9214 three sources of information were retained:

- Direction of Taxes and National Customs (DIAN) for Legal persons
- Superintendency of Companies
- Annual Services Survey (EAS)

As was the case of the audio-visual sector, it was necessary to construct a unique directory of producers in this activity, as the point of departure for obtaining basic elements for this sector.

At the beginning of the construction of the directory, the group of Music, Dance and Theater of the Ministry of Culture provided several databases on several of those activities compiled throughout the years. However, most of these databases do not include the information required for the purpose of the SCA compilation (NIT, ISIC classification, output and intermediate consumption) and therefore, it was not possible to use them as source for the construction of the production account.

In spite of this, the editing activity for improving this directory goes on. It will become a reference for future research on this sector. It will be also a necessary instrument for collecting primary information on those that today are non-formal agents corresponding to activity 9214.

The sources previously identified provided information on production, intermediate consumption and value added for the 2005 - 2010 period (except EAS that started reporting data from 2006 on). The entities included in the databases are those for which activity 9214 is their main activity and fulfill the requirements of inclusion of each source.¹⁵ A reclassification was necessary as some agents that realize this activity

¹⁵ The information from DIAN does not provide a breakdown by enterprise.; it is aggregated for the activity as a whole. It is important to remind that according to the Income Tax Law all legal persons must

are classified in other economic activities, while others classified within the activity 9214 have a different main activity.

▪ **Intersection of databases**

The assumption behind this analysis is that all the enterprises reported by the Superintendency of Companies and by the Annual Services Survey are also included in the aggregates provided by DIAN. It was then possible to obtain an estimate of production and intermediate consumption, for the set of companies of the sources¹⁶.

The sources that were crosschecked were the following:

- Direction of Taxes and National Customs (DIAN) - Legal persons
- Direction of Taxes and National Customs (DIAN) - Natural persons
- Annual Services Survey (EAS)
- Superintendency of Companies - Total
- Superintendency of Companies – Miss-classified but corresponding to activity 9214

▪ **Production account**

For estimating production, the establishments, enterprises and natural persons, which main activity were activity 9214, in the defined official sources, were included for the calculation of total production in the period of analysis. In the ¿ DIAN – legal people’s reports, the value reported as operational income was taken as a proxy of production, whereas for natural persons, it was the value reported as income from honoraria, commissions and services, added to labor wages and other payments. These are the items that constitute the natural persons income. For the

present the Income Tax forms (except in the cases considered by articles 22,23, 23-1 and 23-2 of the Income Tax Law). Therefore all the enterprises under control of the Superintendency of Companies and all those included in EAS are included in the DIAN’s aggregates.

¹⁶ It is a global assignment exercise because the individual enterprises and its individual characteristics are unknown.

Superintendency of Companies, production was defined as the value of the operational income reported by the enterprises.

Additionally, the performances funded by municipal and departmental governments and by government entities and public companies were also included. The Information System on Budgetary Execution-SICEP, (close to a commitments basis of recording, today Territorial Unique Form-FUT) of the National Planning Department-DNP, includes a specific item for the annual cost of cultural events, by municipality and department, the beneficiaries of which are the end-users.

- **Intermediate consumption**

The measurement of this aggregate for activity 9214 used the value reported as intermediate consumption (financial statements, p.2) by the Superintendency of Companies based on the financial statements of the enterprises. Within this source, intermediate consumption was considered as corresponding to the headings: legal expenses, honoraria, contributions and affiliations, rentals, maintenance and repair expenses, extraordinary commissions, extraordinary expenses, repairs and installation expenses, travelling expenses, among others. For the reported companies, the ratio of intermediate consumption to total production was defined as the “technical coefficient”.

The average value of this technical coefficient was applied to the production figures from DIAN - legal persons, EAS and on the value of performances funded by the government. It is important to underline the importance of this coefficient that resulted from linking items of the financial statement with the goods and services used as intermediate consumption in the production process (excluding fixed assets which using up is considered as consumption of fixed capital). As the other sources did not report information on intermediate consumption, it was necessary to use the technical coefficient derived from the Superintendency of Companies.

Given the characteristics of the producers covered by the DIAN - natural people's source, their data are structurally different from those corresponding to incorporated agents. It was therefore necessary to apply a different methodology. In this case an inference was made to obtain a different coefficient as follows:

The first step was to establish the weight of intermediate consumption for businesses registered by DIAN- legal persons as a proportion of the total amount of costs and expenses, that is total costs, operational and administrative expenses and operational sales expenses. The second step consisted of applying this proportion to the group of businesses reported as DIAN- natural persons, assuming that the items corresponding to total cost and expenses of DIAN- natural persons is equivalent to what they report as **other costs and deductions**

- **Supply-Use Table (SUT)**

The SUT, as has been mentioned for other segments, intends to characterize the supply and the demand of the specific cultural products corresponding to this specific domain. For the case of the scenic arts (Activity 9214 ISIC Rev. 3 Theater and musical activities, other artistic activities), the corresponding characteristic product is “Services of production and presentation of artistic performances” (CPC Rev. 1.1: 9622).

The sources being used are the financial statements of the Society of Authors and Composers of Colombia (SAYCO), identifying the collections of the organization from those agents who use music within some performance or presentation or other type of event.

The SAYCO by-laws establish some principles and objectives for this organization:

The rights of the members will be managed according to the by-laws and to Article 12 of Law 44 of 1993 that introduces some details on societies for the collective administration of copyright and neighboring rights. Consequently, SAYCO’s main objective is the protection of the author/ composer and other rightful claimants by means of the effective management of the following rights:

1. The exclusive rights of reproduction, distribution and public communication - in the sense of the law - of literary works (oral and written), musical comedies (with or without wording), theater (included dramatic works, dramatic-musical comedies, choreographic and dumb shows) cinematographic and any other audio-visual works, fine-arts works, including drawings, paintings, sculptures, engravings and lithographs; the photographic works and the expressions by

procedures analogous to photography; and the works of applied arts. These works are original, or derived from other preexisting ones (such as translations, adjustments, adaptations and other transformations).

2. In combination with some of the previous rights, the exclusive right of transformation of such works for its interactive use in production or transmission of multimedia, in analogous or digital form.
3. The rights of remuneration by the private reproduction of the mentioned works recorded in phonograms, videos and other sonorous, visual or audio-visual supports, and by the public communication of audio-visual works, as well as any other of the same character recognized by Law or that will be recognized in the future.
4. The inalienable right to obtain a share in the successive sales realized on art works, in public auction or through a professional artwork dealer.
5. Any form of usage of the works mentioned in the previous paragraphs, through digital media, known or to be known.

The items of the operational income (in the Profit and Loss statements) are:

- Live performances
- Plays
- Other performances

Thus SAYCO's total income originating in the collection of the musicians rights from the users may be known. This amount received by SAYCO as operational income, represents 30% of the total of the collection, according to the by-laws.

Additionally, the value of the collection of copyrights made by SAYCO corresponds to two different rates for public events: events with entrance fee and events without entrance fee.

In order to identify in the total value of income of live performances those corresponding to "ticket office" income, the number of yearly performances realized under this modality of collection was registered. Then, the estimate of the total value

of “ticket office” sales (assuming that this value represents the total revenues from the performances) was made using the average percent value charged by SAYCO for this type of events. Thus the market production of this type of performances was determined, which should be treated as purchased by the consumers for their own benefit.

On the other hand, performances funded by the government at municipal and departmental level, do exist, as well as those funded by government organizations and public companies.

Finally, it is important to underline that there is a tax on production of these performances, which represents 20 % of the income perceived through the ticket office. Thus the balance of the product is as follows:

It should be observed that activity 9214 is associated with two additional products:

- 9631 Actor related services: includes services related to actors, readers, singers, musicians, dancers, stunt men for dangerous scenes, TV presenters and other actors and services of independent models. It is used in the estimates of production and presentation.
- 9632 Services provided by authors, composers, sculptors and other artists, except actors: includes services of the stage scene designers, decorations designer, people in charge of illumination, clothing designers and services of restoration of artworks. It is used to calculate creation and production.

Nevertheless, during this first stage this complementary measurement was not approached given the difficulty in identifying sources providing relevant information. These products correspond to intermediate consumptions (or remuneration of employees) of the performances, since the payment of actors, designers, singers and musicians among others, is part of the costs in which live performance producers incur.

- **Expenditure account and its financing**

The expenditure account is constructed by identifying the total expenditure of the agents in the economy, by cultural product, who bear the expenses and who are the beneficiaries of this expenditure. All the analysts of culture economics identify three financing agents (households, government and NPISHs). Households are identified as beneficiaries of the expenditure in market products (live performances), being at the same time providers of financing when purchasing tickets to attend these events. On the other hand, the government finances some costs, at municipal and departmental level, and government institutions and public corporations also cover costs of events benefiting households.

On the other hand, the central government, through the Ministry of Culture, organizes programs as the National Program of Agreements for Cultural Spaces and the National Program of Cultural Agreements, which represents a subsidy to the market activities carried out by the agents who develop or organize the events. This kind of a program generates current transfers, as direct subsidies to these market activities.

The Information System on Budgetary Execution-SICEP, reports the expenditure, at departmental and municipal level, on construction, repair and maintenance and furnishing of cultural scenes. These expenses funded by the departmental and municipal governments represent a capital transfer which nature depends on the characteristics of the recipient.

Finally, Article 476 of the Tax Law – ET, excludes from the payment of the Value Added (IVA) the entrance tickets for movies, sport events, cultural events, including musical comedies and events for family recreation, bullfights, horse races and canine competitions. Thus, this TVA exemption is a subsidy for the market activity; the beneficiary is the cultural market activity, financed by the central government.

e) Cultural education

For Pierre Bourdieu, one of the most important representatives of the Sociology of Culture, human societies are organized in fields. These fields correspond to “social subspaces” differentiated by the social activities developed by their members, for example, the artistic and the scientific fields. These fields are independent in the

context of the society as a whole. In addition, science is understood as a field of symbolic production in which *scientific truths* arise. These are the set of knowledge systematically structured and obtained through the observation of regular patterns, reasoning and experimentation in specific environments, from which general laws and organized systems are elaborated. On the other hand, art is regarded as a field of activities and products made by human beings with an esthetic and communicative purpose, through which ideas and emotions are expressed. This expression employs different resources (plastics, linguistic or sonorous) and its intention is not of establishing absolute truths related to general laws.

With respect to cultural education, there are controversies with regard to its definition, scope and structure. The first step forward, concerning the scope, was to establish the areas that have to be included; following the functional definition of cultural field, they must refer **only to the creativity associated with the arts**, whereas the creative exercises associated with sciences belong to the scope of the scientific field, in spite of being also based on creativity.

From the previous consideration, it is possible to infer that **cultural education is**, from a strictly functional perspective, **related directly and exclusively to the artistic education**, and therefore the SCA for Colombia, and its definitions will correspond to this concept.

The National Plan of Artistic Education, based on Agreement 455 between the Ministries of Culture and Education of Colombia, signed within the framework of the Regional Congress of Artistic and Cultural Formation for Latin America and the Caribbean (Medellín, August 2007) proposed and disclosed the following definition:

Artistic Education is the field of knowledge, practices and undertaking that looks for reinforcing and developing the sensitivity, the esthetic experience, the creative thought and the symbolic expression, from material and immaterial manifestations in intercultural contexts that is expressed by sonorous, visual, corporal and literary elements, taking into account our ways to relate to art, culture and heritage.

This notion of artistic education is related to the concept of field already mentioned and defines it as an area of knowledge tied to the cultural environment. By linking the

learning of arts with its cultural contexts, the vision and the scope of education are enlarged. Therefore, the field of artistic education includes a diversity of people and organizations that take part from different places in the arts, the education and culture.

The cultural or artistic education is present in all the levels of formal education, as well as in the vocational education and in human development. The identification of their basic characteristics and the economic valuation of these activities are the object of study of the SCA.

- **Classification of activities and products**

The classification used as reference for the study of cultural education in the SCA is CIU Rev. 3 A.C. It belongs to Section M and comprises 7 classes, at its higher breakdown level. It is important to clarify that it is not the classification applied for the SCA calculations since this is a particular sector that corresponds only to Cultural Education and not to General Education.

For greater detail of the activities and products, please consult Tables 2 and 4.

In order to contextualize the artistic education in Colombia, a description of the General System of Education is presented below:

- Formal education

It comprises four levels: Pre-school, basic, intermediate and superior education. The entity responsible for its coordination is the Ministry of National Education, which delegates in the education secretariats the management and organization in the regions. The official lineaments on the formal education are defined through a Decennial Education Plan and by the sectorial plans of education at the level of the nation, the departments, the districts and the municipalities.

Educative services provided by public organizations are mostly oriented towards the basic nucleus (pre-school, primary and secondary including baccalaureate) with participation close to 50% of the education services in these levels. As for higher education, most of the services are provided by the private sector.

- **Pre-school Education:** this level of schooling is the first contact of the children with an environment different from home and is the first opportunity of socialization; the establishments where this process takes place are called kinder-gardens. In a similar way to other educative levels, this one is subsidized by state funds (Colombian Institute for Family Welfare) or the services are provided by private organizations. The age of entrance is sometime lower to 1 year (it includes babies).
- **Intermediate basic Education:** The basic education, with duration of nine grades, is developed in two cycles: Primary (basic education of five grades) and Basic Secondary (four grades). The intermediate average lasts two years, although in some private institutions they include one or two years more of schooling.
- **Higher Education:** Education provided in universities and other institutions of higher education. It is divided in several levels distributed between undergraduate and postgraduate courses.
- **In the undergraduate course level there are:** professional technical careers, technological professionals and professionals. The professional techniques can last between 1,5 to 2 years, the technological professionals from 2,5 to 3,5 years and professionals usually of 5 years.

The postgraduate level includes specializations, masters and doctorates. There is a wide range of certified courses, seminars and other courses of continuous education. In a few weeks or months, vocational training and human development programs allow the professional to acquire new skills and to keep updated, but this type of learning is considered non-formal education (education for work and human development) or in some cases continued education.

- Vocational training (education for work) and human development

The vocational training and the human development, formerly called non-formal education, are part of the public education services offered for complementing, updating and training in technical or labor aspects. It entails obtaining certificates of occupational aptitude.

This system of continuous, personal, social and cultural education is based on an integral conception of the person. The responsible entity organizes an educational project with flexible curricula without submitting it to levels and degrees, characteristic of the formal education, and facilitates certain type of learning for particular sub-groups of the population, either youngsters or adults.

This type of education is regulated by the Ministry of National Education and has the character of continuous education according to Decree 2020 of 2006. It is regulated by Decree 4904 of 2009, which regulates the organization and the services offered.

- Informal education

It is defined as an everlasting process for people to acquire and accumulate knowledge, skills, attitudes and ways of discernment by means of the daily experiences and their relationship with the environment¹⁷.

¹⁷ This type of education will not be included in the CSA.

The following Table 7 summarizes the educative levels in Colombia:

**Table 7. Educational System Classification
Colombia**

Education Type	Formal education levels Programs	Informal	Grades or required time span	Institutions	
FORMAL	Early childhood education		0 to 5 years	Children Educational Centers Kindergartens	
				Public or private institutions	
	Pre-primary education		One obligatory grade	Children Educational Centers Kindergartens	
				Public or private institutions	
	Basic primary		5 grades	Public or private institutions	
	Basic secondary		4 grades	Public or private institutions	
	Medium		2 grades	Public or private institutions	
	Higher level	Pre-graduate: Professional technician		1,5 to 2 years	Universities University corporations University Institutions SENA
		Professional technological		2,5 to 3,5 years	
		Professional		5 years	
Post graduate: Specialties			1 to 5 years		
Magister					
Doctorate					
VOCATIONAL TRAINING	VOCATIONAL TRAINING		600 - 1800 hours	Universities University corporations University Institutions	
HUMAN DEVELOPMENT (Non formal)	ACADEMIC TRAINING		160-1200 hours	Family allowances funds and SENA	
INFORMAL EDUCATION	Unruled (D. 3011 1997)		Unruled (D. 3011 1997)	Unruled (D. 3011 1997)	

Source: Ministry of National Education

Prepared by : DSCN-DANE, CSA Staff- DANE, Ministry of Culture

- **Production estimate for the cultural education in the pre-school, primary, secondary and intermediate levels**

The cultural and artistic education, in the basic and intermediate levels, is related to the other areas of education (social sciences, natural sciences, mathematics, language, etc.), as an essential part of the pedagogical universe that associates the development of basic human capabilities with the artistic subjects and the recognition and respect towards the local, national and universal cultural heritage.

The sources of information for the SCA on educational levels are:

- Ministry of National Education (MEN)
- Ministry of Culture
- Registry of educative organizations, students and teachers of pre-school, basic and intermediate education (C600 Form)
- Government Information System (SIGOB)

The Ministry of National Education provided information on numbers of students enrolled in the 3 levels of pre-school education (pre-garden, garden and transition), as well as in primary, secondary and intermediate education.

Besides the data on enrollment, MEN provided the information discriminated by institutional sector, that is, the percentage participation of the official and the private sectors for each of the previously mentioned levels.

The variables required for estimating the production of private institutions (the average value of the fees, and the average number of years of study) were requested from MEN for the levels of pre-school, primary, intermediate and secondary levels, and for the years of study.

It was possible to obtain (with the number of students enrolled in all the areas of education and the average fees by educative level) a total value of the basic and intermediate education in Colombia.

In the pre-school, primary, secondary and intermediate levels, it is not possible to establish the number of students enrolled by education area, or to assess the values of the cultural and artistic education. It was then necessary to look for the number of teachers by educational area, in particular those that teach Arts or Artistic Education, in the Registry of Educational Institutions (DANE, form C 600). The proportion of teachers associated with artistic topics represent between 5 and 6% of the total.

This proportion was applied to the total value of education, and it was thus possible to establish the value of the cultural and artistic education in the mentioned education levels for the period under analysis in Colombia.

- **Estimation of production of the cultural and artistic education in the higher education level.**

The focal purpose of the artistic and cultural education in the higher education level is to promote the qualification of individuals, processes and practices in the Schools of Fine Arts and in specialized Centers and to develop the required tasks for promoting artists that will create, research, teach, construct evaluation processes and keep a permanent dialog with the artistic community worldwide.

The areas of knowledge defined for the higher I education level are as follows:

- Agronomy, veterinary medicine and compatible
- Fine arts
- Education Sciences
- Health Sciences
- Social and human Sciences
- Economy, business administration, accounting and related disciplines
- Engineering, architecture, urbanism and related disciplines
- Natural Sciences and Mathematics

Each of these areas has a basic core related to the relevant fields, disciplines and professions as presented in the case of Fine Arts in Table 8.

Table 8. Basic knowledge cores in Fine Arts

Knowledge area	Knowledge basic core
FINE ARTS	Plastic arts, visual arts and related topics Performing arts Design Music Other programs related with Fine Arts Advertising and related topics

Source: National System of Information for Higher level Education- SNIES Decree 1767, 2007.

The sources of information for the SCA in these educative levels are:

- Ministry of National Education (MEN): it is the main source for the higher level of education; it provides information on the number of enrolled students according to the area of knowledge and the value of the registration fees.
- Ministry of Culture: The Direction of Cultural Promotion collects information on the artistic education related to students admitted in artistic programs in Colombia's public universities.
- Government Information System (SIGOB)
- National Apprenticeship Service (SENA)

For 2005 (base year of the SCA studies) trend analyses were made of the ratio of enrolled students in the area of Fine Arts to the total of enrolled students registered in all the areas, observing that the share of these students to the total for 2005 and later is about 4 to 5%.

For the estimations of production for culture education in the higher education level, the students registered in the Institutions of Higher Education (IES) providing exclusively artistic education, and the number of students of all the registered universities offering Fine Arts programs was retained and multiplied by the average value of the registration fee in the Fine Arts programs.

The intermediate consumption was obtained applying the technical coefficients obtained within the central framework of National Accounts, for market and non-market superior education.

- **Supply-Use balance for the higher level of cultural education**

The estimates to obtain the production of the higher level of cultural education for the SUT are based on the number of enrolled students of universities (public and private) offering Fine Arts programs, and the average registration fee for the selected programs.

For households and government final consumption, the same shares used within the National Accounts central framework were applied, given the difficulty to obtain the costs incurred in the specific Fine Arts programs by the education institutions.

- Cultural education in vocational training and human development programs

As previously mentioned, these educational activities are regulated by the Ministry of National Education and correspond to continuous education, mainly provided by SENA, the Family Allowance Funds, other official institutions, and an endless number of private organizations. There is no information relating to the private organizations. To a great extent this is due to the fact that there is no regulatory body for non-profit Organizations in Colombia. It is only very recently that MEN has initiated a follow up of their operation.

There are two types of programs:

- Labor oriented programs that intend to prepare the students in specific areas and to develop labor skills, allowing them to carry out a productive activity in individual or collective form. To be registered, the program must have a minimum duration of 600 hours. At least fifty percent of this time should be devoted to specific practical training, both in face to face and in distance learning programs.
- The programs of academic education designed for the acquisition of knowledge and skills and in diverse subjects of sciences, humanities, arts, recreation development, cultural activities, self-management, participation, democratic formation and community organization and institutional work. To be registered, these programs must have a minimum duration of 160 hours.

The sources of information identified for the treatment of vocational education and human development and culture education are as follows:

- Ministry of National Education (MEN)
- National Apprenticeship Service (SENA)
- Ministry of Culture
- Superintendency of Family Allowances
- Government Information System (SIGOB)
-

National Apprenticeship Service (SENA)

SENA offers the following types of program:

- Programs of titled education: this type of education and training is oriented towards the preparation of the beneficiaries (at operational, technical or technological levels) to carry out offices and occupations required by the productive and social sectors, with the aim of qualifying workers, participating or not in labor activities. Its intensity goes from 880 to 3,520 hours.

- Programs of complementary formation: this type of program aims at updating knowledge, abilities and skills of trainees in occupations at the operative, technical, or technological levels, to improve their productivity and to facilitate their mobility. Their duration is flexible according to the candidate's needs.

SENA provided the information on the number of positions offered for all its education programs, as well as the positions for specific programs of cultural education.

The participation of persons enrolled in artistic education in relation to the total of persons enrolled in vocational training and human development programs (ETDH) offered by SENA in the 2005-2010 periods is very low, between 1,58 and 5,28%.

The share of enrollment in artistic education was applied to the total production of SENA to obtain the production corresponding exclusively to artistic education in SENA. With this figure it was possible to establish the production account for artistic education in SENA.

Once the production known, the intermediate consumption is subtracted from it to obtain value added. Finally it is possible to obtain the technical coefficient or ratio of intermediate consumption to production.

P.1 Production of educative services in fine arts

P.2 Intermediate consumption IC

B.1 Value added

Technical coefficient for IC = (P.2 / P.1)

Superintendency of Family allowance funds

The basic information taken from the Superintendency corresponds to the education for work and human development, in the specific programs of artistic education. It includes the number of students, denominated "Participants" in this type of education, and the value of production of cultural or artistic education offered by the Family Allowance Funds.

General Accountant Office

Finally, the information from the General Accountant Office provides basic information for the calculation of the production of the government, as follows:

- Production of items of non-formal Education
- Formation in arts and occupations
- Production of non-formal education
- Artistic and Cultural Dissemination

- **Total Production:** The production value for cultural education associated with vocational training and human development is the aggregate of the data obtained from SENA, the Superintendency of Family Allowance Funds, and from the General Accountant Office. The structure of the variables of demand of the product non-market education is derived from the National Accounts central framework, for the years of study.

- **Estimation of Value added:** When cultural education is measured a particular situation arises because the information, in most cases, is only available for a part of the establishments dedicated to these services and therefore it is not possible to set up production accounts. Nevertheless, due to the importance of the calculation of the value added by cultural education, part of the gross value added associated with some establishment, is estimated, using the ratio of value

added to production for the entire service of education, market and non-market, in the National Accounts central framework.

A similar procedure was followed for the estimation of intermediate consumption associated with the value of the production of the SUT of the cultural education in the pre-school, basic and medium levels, in the higher level and the education for work and human development, using a technical coefficient for each year of the investigated series.

f) Games and toys manufacturing

In agreement with the CAB Manual, the activities of production of games and toys are included in culture due to their dimension of interactive enjoyment of symbolic processing. Their uses implicitly include symbolic worlds and establish a relationship of creativity. These are a fundamental component of the symbolic world of the infantile stage and of the relationships that are established with the world¹⁸.

For Sanuy (1998), “the word game comes from the Indo-European root “ghem” that means to jump of joy; the game must offer the opportunity of amusement and, at the same time, of development of many abilities”. For authors like Montessori, mentioned in Newson (2004) and (Chacón 2008) “the game is defined as an organized playful activity with the aim of reaching specific objectives”.

The human beings have had, along their lifetime, some type of relation with the world of game. It is most likely that this contact is more intense in the childhood and adolescence and diminishes when entering in the adult stages; nevertheless, game is not characteristic of any age, or of any stage, but it is present in the life of an individual, from birth to death. In this sense, the game is understood as a vector and propitiatory element of culture. With its symbolism it transmits messages and gives cultural rules. Thus, playful activities assign roles from an early age, roles that will be assumed later in the adulthood.

¹⁸ Pinot de Libreros, Marion. CAB Manual, p. 38.

As a result of the need of game and thanks to the human creativity, toys have appeared that have been designed in such a way that they not only entertain and please, but also educate and teach.

- **Process of production in the manufacture of games and toys**

After careful information search in different written sources, no unique document was found with standard information on the process of production of games and toys. It was necessary to identify and to compile the main common steps developed in the production chain. The summary presented below shows the review of the production process of games and toys.

- **Research, design and documentation with respect to toys**

It is clear that the tools and raw materials used for the manufacture of toys have undergone significant changes in their technical and technological components. In the production chain, once the nature of the game, its playful objectives and its components are stated, the next step is the design. Here the manufacturer decides how to make the game or toy, which procedure to follow, which raw material to use, which are the required tools, and which specific skills are needed in order to implement the manufacture.

In the last years, besides the imaginative and creative capacity of the designers in toy factories, the design of dolls have been inspired by movie characters. By means of licenses, the producers of movies and television programs provide the toys manufacturing companies with the images, photographs, pictures, or iconographies they might need. With these tools the designer is able to realize faithful concepts from the characters. The conceptual images of the character appear, outlining characteristic details as accessories, places of articulation and colors, among others. Later, these technical drawings are complemented with views from different angles so as to provide the greater amount of information to the following stages in the production chain.

- **Molds and carvings**

The artists carve the models in different materials (play-dough, wood or even metal) following the characteristics of each section. The final result is a “hard-copy”, a figure identical to what will be the final product, but in a more resistant material, which will be used as the original for the molds of the line of production.

- **Prototypes of the toy**

Once the design has been approved, it is sent to the manufacturing stage. Normally the factory sends prototypes with diverse degrees of elaboration to check the evolution of the product (used colors, position of the figure, etc.). In many cases the information worked until this stage is gathered and legalized, due to the requirements related with patent requests and copyright registration.

- **Scale model or final prototype of presentation**

Once the previous process is over, some units are evaluated. If the prototype is approved, begins the production of the written information that has to accompany the toy: instructions, adhesives, and catalogues.

- **Safety tests**

In this part of the process the product is submitted to diverse tests (heat, humidity, security, etc.). If any problem appears, it is corrected, otherwise the manufacturing in large scale is approved.

- **Packaging design**

This is a process realized simultaneously with the production of the toy. Some manufacturers realize tests in which the clients select the definitive packaging from different models presented to them.

- **Manufacture in large scale and packing**

After the final approval of the prototype and concluded the security test, the productive process on a large scale might begin. It is followed by the packing procedure.

- **Process of manufacturing puzzles and printed games**

As in the case of figures and dolls, the manufacture of puzzles and other printed games starts with the selection of graphical material. In most cases, the process consists of the following steps:

- Research, design and documentation with respect to the toy
- Impression and lamination

This usually is performed through lithographic techniques, using a plate that has received a special treatment to absorb water or oil. Once the lithographic lamina has been printed, it is dried and sent to the stamping press.

- Stamping

It is done by means of a sharpened and flat metal tape that makes extremely precise cuts as required for puzzles. This process makes high volumes of production possible.

- Packing

After stamping, the pieces are immediately separated so as to guarantee that the entire set goes into its individual packaging, normally some type of cardboard box. These boxes generally include a photo of the complete puzzle, to be used as guide.

- **Classification of activities and products**

The activity 3240 “Manufacture of Games and Toys”, ISIC Rev. 4 is taken as equivalent of activity 3694 of ISIC Rev. 3 A.C.. The characteristic products of activity 3694 correspond to codes 38520 to 38570 and 38590 of CPC 1.0 A.C . These correspondences are listed in tables 2 and 4.

- **Units of observation**

Establishments and enterprises that are producers of games and toys.

- **Sources of information and description of the estimation procedure**

The elaboration of the Production Account, SUT and Expenditure and Financing Account in the manufacture of games and toys, use the following sources:

- Annual Manufacturing Survey (EAM)
- Superintendency of Companies
- Annual Trade Survey (EAC)
- Households Income and Expenditure National Survey (ENIG)
- Direction of Taxes and Customs DIAN - Legal persons
- Direction of Taxes and Customs DIAN - Natural persons

The procedure for obtaining the value of production from EAM and the Superintendency of Companies is similar to that previously described.

The first step is to compare the information from these two sources: those enterprises that are common to both of them are only maintained in the EAM database to avoid duplicity in the collected data.

The analysis of these sources makes possible to observe the behavior of establishments and enterprises manufacturing of games and toys within a time series perspective. Some records are analyzed with special care if they show some atypical behavior. Some establishments do not have information in one of the years of the period and it is necessary to assign estimations based on the behavior of the whole group.

The classification is not always precise, for example enterprises manufacturing musical instruments are classified as manufacturing games and toys. There are also problems with the enterprises that stop activities and are liquidated and with the new ones that enter the market.

After the revision of the EAM and Superintendency of Companies databases, the information is complemented with data collected from DIAN derived from the Income Tax returns of natural and legal persons. This information is crosschecked again with that of the EAM to avoid duplicity.

The result of the previous procedures is a “clean” and reliable database of establishments and enterprises that comprise the activity “Manufacture of Games and Toys”.

- **Production account for the manufacture of games and toys**

The total value of output obtained from the EAM, corresponds to the variable “Value of production” of chapter VIII “Products, by-products and works produced by the establishment”.

The EAM is the only source that provides information on main and secondary output. In the Superintendency of Companies, the operation income includes only a global value and that is the production figure for the enterprises in this source.

The information of intermediate consumption in DIAN’s records is an aggregate. At the end the data coming from the three sources of information are consolidated to obtain the production of the activity “Manufacture of Games and Toys”.

- **Intermediate consumption**

It corresponds to the raw materials consumed by the establishment, plus the energy bought, plus the other goods and services (public services, operating expenses, rentals, publicity, etc.) used in the productive process. These variables are taken on an annual basis.

Intermediate consumption (EAM) = Raw material consumption + Energy Consumption + Consumption of other goods and services

The origin of the data within the EAM is:

- Raw material consumption: From “Consumption of raw materials, other material and packaging, during the year” Chapter IX.

- Energy consumption: From numeral 1, Chapter V, “Energy consumed during the period”.
- Consumption of other goods and services is obtained from Chapter IV “Other costs and expenses of the industrial activity during the period”. Only the variables considered as IC (excluding taxes, tax exemptions, provisions, among others) are retained.
- The “value of the services of enterprises providing temporary personnel to the establishment” is considered intermediate consumption. It comes from Chapter III.

In the Superintendency of Companies, the value of intermediate consumptions is included within the value of operational expenses. This is the data taken as intermediate consumption of the enterprises registered in this source.

The information of Intermediate Consumption in DIAN is an aggregate. At the end the IC values of the different sources are added and the Intermediate Consumption for the activity “Manufacture of Games and Toys” is obtained.

▪ **Supply and Use Table**

For the elaboration of this table, the information on the characteristic output obtained from the production accounts of the corresponding activities, and that from information on secondary output of the corresponding products, produced by establishments pertaining to other economic activities are added.

- The information on imports and exports was taken from the data on foreign trade.
- The data of trade margins were taken from the Annual Trade Survey (EAC) – DANE, for establishments specialized in trading games and toys.

- The data of the value of Households Final Consumption comes from the Households Income and Expenditure National Survey (ENIG) for 2006 and 2007; the data for 2005 was estimated from the information of year 2006 using CPI and the population growth; for years 2008, DANE's Monthly Retail Trade Survey (MMCM) was used in combination with the income of households as derived from DANE's Integrated Households Survey (GEIH).
- Intermediate Consumption (IC) was estimated from aggregates taken from EAM.

The information of the values of the change in inventory was taken from the EAM.

- **Expenditure Account. Games and toys**

This account is constructed identifying the total expenditure of the agents in the economy in this type of cultural product and the beneficiaries of this expenditure.

In the case of the games and toys domain, the beneficiaries are the households and other agents of the economy (when the product is used as fixed capital or intermediate consumption). These are also the financing agents. The government does not play any role as financing agent nor as beneficiary. All products are market products. Most of Households expenditure corresponds to consumption of imports.

g) Creative advertising

The relationship between production and consumption is one of the foundations of the contemporary economic system. Today's societies produce more and more products that are placed at the disposal of consumers eager to satisfy their needs and aspirations. It is a time of abundant supply of goods and services, with many possibilities of access.

Consumption has become some type of social obligation as in addition to its functionality, it brings a certain self-identification allowing the individual to relate with and integrate to a social group. Consumption no longer responds only to the satisfaction of some basic needs. It is conceived now in a more global and complex form, under the influence of new currents of contemporary sociology and psychology,

which look for explanations to the social behaviors behind the access and use of goods and services.

Beyond these analytical conceptions and critics, the *raison d'être* of consumption is the satisfaction of needs, be they real or artificial, expressed or repressed, which induce the behavior of consumers to continue systematically feeding back the economic relationship between supply and demand.

It is exactly in this context of production/consumption, where advertising is a protagonist. It becomes a communicative instrument that through persuasion and the seduction of action models, obtains that the products supplied be consumed, stimulating by the same token production.

Even though advertising may be perceived as a huge commercial exercise, their production methods should be understood within a different logic that favors the conception of creative **advertising** as a specific output. Its procedures are not exclusively subject to the laws of the market and they are rather attached to less defined phenomena in which the procedures are marked by the logic of cultural and artistic production.

The study of advertising in terms of marketing only entails a partial explanation of this activity. The definition of advertising exclusively as an instrument for the promotion of sales or to identify it only as a form of persuasive communication is to simplify the complexity of its operative framework.

Advertising by means of metaphors contributes to intermingling symbolic and real fields whose borders disappear in the advertising production. Metaphors help to express something that is difficult to communicate and, as in the case of the photography that converts metaphors into images, establish a correlation between the abstract thought and the advertising visualization.

In order to understand advertising it is necessary to admit in the first place that its purpose is to transform economic goods into symbolic entities. Only then is it possible to understand many of the behaviors, attitudes and answers of the public towards advertising.

Similarly, in order to understand the production of economic value related to the creativity and the symbolic production within the productive space of advertising, it is necessary to analyze particularly those who participate in creative advertising, taking into account their level of education and their trajectories, in order to find out the way to construct a creative value in the advertising domain.

A series of relationships exists around the value and the legitimacy of the advertising creativity, which are separated from the typical market strategies of the economic environment. These relations are linked with art spaces in the conception and generation of advertising products, and their transformation into an economic value, guiding and orienting the tendencies between consumers and producers.

The advertising activity originally looked for **decorating** the goods being sold. Over the years, without leaving that initial objective, it has become a discourse more oriented towards the users than to the products themselves and which tries to influence the symbolic universe of the consumers through very specific forms of representation.

A great change that has appeared in the advertising domain in the last years, is the separation of the media departments, converted into companies with autonomy and capacity to handle a great volume of investment: This has changed the production rationale of the advertising business. The advertising agencies that offer a complete service are no longer the preponderant model.

At the moment, almost no agency keeps a media department. The business of buying space in media became a different activity, in spite of its importance, in terms of volume. The advertising production remains as the center of the advertising agencies, where creativity prevails as a characteristic of this business. The role of the creative professional is the vital nucleus of an agency. To have a competent group of creative professionals determines the possibilities of success or failure for an agency.

Advertising: cultural or creative industry?

It is understood that the cultural industries work directly on the literary, audio-visual, musical and artistic creations, to make them accessible to the public whereas the creative industries exclusive aim is not to facilitate the access to artistic works, but to promote the commercial appreciation of a good or service.

Within this context, some experts state that advertising does not exist to present an artistic work (musical or plastic), that in other circumstances would not reach the public, nor the fashion has as its direct object the cultural expression, but they use the cultural manifestations to give an additional value to the products, based on the differentiation, and they become means to transmit a different type of economic objective.

The very definition and measurement of creativity is still a debatable subject regarding its independent inclusion within the cultural field. The creative industries involve an ampler range than that of the traditional artistic dominions and include, for instance, all the Information and the Communications Technologies industries (TIC) as well as Research and Development.

Despite the discussion on whether advertising is an artistic creation or only uses these creations to transmit other types of economic objectives, the Colombian CSA recognizes a creative and cultural exercise in the designs of the contents of the advertising messages. They obviously are proposals, elaborated with the instruments of the artistic creation, no longer limited to adorn and emphasize the characteristics of the products been offered, but they possibly affect the behaviors of the consumers in such a way that they are related to the construction of some social imaginary and to the adoption and affiliation in diverse ideologies.

- **General concepts**

The CSA is based on well-known definitions from different documents, and in order to avoid incurring in debatable positions, proposes the following definitions:

Advertising: it is a communication technique that uses dissemination media with commercial objectives, promoting and generating behaviors and attitudes in consumers. As in any communication process, an emitter and a receiver must exist. Between these two other organizations exist: the advertising agencies that create the advertising messages, the media agencies (or media centralizers) that are those that plan the dissemination of commercials and finally the mass media that disseminate the messages to the audience.

Advertising agency: organization that generates advertising contents on request by an advertiser who needs to find consumers for the goods and services it produces or eventually to disseminate its opinions.

Creative work of the advertising agencies: work developed by the creative agencies. It is generally carried out by a director of art, a creative advertising editor and a department of graphical design, whose main task consists in the conception and development of the content of the advertising campaigns.

Media agencies or medial centrals: organizations that manage the purchases of spaces in mass media. Until some decades ago and differently in each country, the media departments were always located within the advertising agencies or the advertisers enterprises companies (when it was pertinent). Nowadays, the most common organization is to see centrals or agencies of independent media dedicated specifically to the commercialization of the advertising campaigns as intermediates between advertisers, advertising agencies and mass media.

Advertising in the SCA

As was previously mentioned, the advertising activity covers a diversity of fields. Among the most relevant: the process of creation and production of the advertising messages and the location of them in different mass media.

The activities related with advertising that fulfill the inclusion criteria for belonging to the cultural field, are those dedicated to “the creation, expression, interpretation, conservation and transmission of symbolic contents”¹⁹, they are related to the conception and the elaboration of the advertising messages, whose work has been restricted to the denominated advertising agencies, and that further ahead, in this document, will be designated as “creative advertising”.

According to the Colombian Union of Advertising Companies (UCEP), in Colombia, the largest enterprises of the advertising sector are completely differentiated, and are made of fourteen (14) creative agencies and eleven (11) media agencies, with clearly differentiated and independent functions , though there are also many smaller companies involved both in the creative work and in the placement of commercials in mass media.

▪ Classification of activities and products

The classification used (ISIC Rev. 3,1 Adapted for Colombia) has only one class 7430 “Advertising”; and its characteristic product in the CPC corresponds to the “Services of advertising and supply of advertising space or time”.

▪ Sources of information

The only source of information used by the SCA for the measurement of the services of Creative Advertising is the Annual Services Survey (EAS)–DANE. This survey has a specific module for Advertising Services.

¹⁹ Definition of cultural field taken from the CAB Manual.

The EAS obtains information on income, expenditure, occupied personnel, remunerations and fixed capital formation during the year of reference, for the surveyed activities they are reported on an accrual basis²⁰.

By definition, services are heterogeneous products generated on demand, on which users may not claim ownership rights and that cannot be separately negotiated from their production, as they cannot be neither transported nor stored. In this domain the right to use the service is commercialized whenever required.

The EAS is a survey directed to the enterprises dedicated to a great extent or exclusively to provide the services under study. Nevertheless, when an enterprise develops activities in several economic domains, what is called a multi-activity enterprise, the part taken into account in a given domain corresponds only to the services being studied.

In the case of advertising, the income taken into consideration is that generated by the services of planning and creation whereas the dissemination of advertising in media is not included.

The income generated by planning, creation and placement of messages services, realized for the benefit of third parties are also taken as income obtained by advertising agency provided that these works are carried out for units different from those belonging to the same company.

Income from the sale of merchandise, associated with the sale or resale (sale without transformation) of merchandise related or not with the services provided, is included separately.

The printing services of advertising material, market studies, activities of public relations, consultancy in management and advertising by mail are also excluded.

²⁰ Accrual basis is a system by which events with economic significance are registered at the time of their occurrence, independently from the time at which the cash flow originated by them takes place. These events are recorded as soon as rights and commitments appear or when the transaction or operation has incidence on the results of a period. General Public Accounting Plan 2007. General Accountant Office (CGN) par. 117.

Regarding expenses, the EAS collects information on the structure of costs and operational expenses and the different expenses related to employees.

The expenses to provide the service are the costs in which the company incurs for the development of its service activities, different from those related to employees, services provided by third parties and costs of merchandise sold.

The costs of inputs in the production of the advertising services involve the value of the materials used for delivering the advertising services such as: tools, props and implements of laboratory for photography and materials for elaboration of art, among others.

The 2012 EAS covers 153 companies producing advertising services (advertising agencies), with 75 or more employees, and annual income equal or above \$3,000 million pesos per year, which are the parameters of inclusion for this specific domain.

- **Production Account of the Creative Advertising activities**

The elaboration of the Production Account for the Creative Advertising activities, supported by the information of the advertising module of DANE's EAS, uses the following definitions:

Operational income: total income obtained for delivering the services under study.

Gross output: it is defined as the creation of services satisfying (directly or indirectly) the needs of third parties. It is equal to operational income less the cost of merchandises purchased for resale.

Intermediate consumption: it is the value of the goods (except capital goods) and market services consumed by the producing unit during the period of reference of the survey.

Value Added: it is the value created in the production process as a result of the combination of factors.

Technical coefficient: percentage ratio between intermediate consumption and gross output.

- **Supply and use table**

The following data were taken from EAS for compiling the SUT of creative advertising services

- **Production:** Total of gross output has been previously defines for this case as the difference between the operational income and the value of merchandises purchased for resale. This value corresponds, in this case, to the production of creative advertising activities and is the value of production for the SUT of the product under study.

The data on imports and exports were taken from the Foreign Trade Statistics.

- **Intermediate Consumption:** in the SUT corresponding to creative advertising services, the only uses are intermediate consumption and exports. Intermediate consumption is obtained as the difference between total supply and exports.

h) Natural heritage

- **Activity of botanical gardens and natural parks**

The CAB Methodology Manual for SCA, indicates that the subsector called Natural Heritage not only includes activities and products that fulfil the required criteria to be included in the cultural field due to their characteristics of production, but also some natural resources representing symbolic contents that have an heritage character according to the definitions of UNESCO. Although there is no doubt that they are not products generated in a formal productive process, their study, conservation and the facilitation of access for the public, imply that they fulfill the criteria of inclusion in the cultural field.

The services associated with botanical and zoological gardens, natural parks are characteristic “products” of culture. In addition, UNESCO mentions that:

Heritage is the legacy that we received from the past, is a part of what we live in the present and what will be transmitted to the future generations. Our cultural and

natural heritage is an irreplaceable source of life and inspiration.... The natural monuments constituted by geological or biological formations or groups of those formations that have exceptional a universal value from an esthetic or scientific point of view; the geologic and physiographic formations and the zones strictly delimited that constitute *the habitat of animal or vegetal threatened species*, and the strictly delimited natural zones, with an exceptional universal value from the point of view of science, conservation or natural beauty... (Convention on world-wide cultural and natural heritage protection, UNESCO, 1972).

Following the indications of the CAB Manual, the economic measurement is centered in the study and analysis of the flows associated with the activities of the natural parks and the botanical gardens of Colombia, that comply with the definition of natural heritage of UNESCO. Zoological gardens and the aquariums, mentioned in the manual, are not included in this first version of the study. Nevertheless, it is important to mention that there are commitments with each of these institutions for the later inclusion of their information in the study.

The Colombian National System of Natural Parks has 56 protected areas, 41 of them being natural national parks; 11 are designated "sanctuaries" of fauna and flora; 2 are natural national reserves; 1 is a parkway and 1 is a unique natural area.

In these areas a great part of the natural resources of Colombia are protected which is an heritage for the whole planet as well: 10% of the world's biodiversity. Colombia is the first country in the world in diversity of birds, second in diversity of plants and amphibians, third in diversity of reptiles and palms and fifth in mammals; in addition the country reports the greatest number of species of endemic butterflies.

In the case of the botanical gardens, these organizations accomplish activities in scientific research, horticulture and education generating knowledge about biodiversity and disseminating their role as cultural-natural good as well. In Colombia there are 17 legally constituted active botanical gardens, located in the different regions (Caribbean, Insular, Pacific, Andean, Orinoquia and Amazonia) contributing to the knowledge, conservation, research and environmental education of the country.

According to the Manual of Organization of Botanical Gardens, and Law 299 of 1996 for Management of botanical gardens in Colombia, for its development and operation,

it is necessary to consider three pillars: research, conservation and environmental education. The existing gardens have extensions from 8 to 200 hectares and have **ex situ** areas and facilities for collections (conservation) and, according to the established principle of general policy, they must have an additional area of natural vegetation (for the conservation **in situ**), and the authorization to operate given by an environmental authority, usually the independent Regional Corporation of each region.

The social and cultural configuration of many native communities is developed within a habitat characterized by the beauty and abundance that offer these natural formations. The natural heritage integrated to the culture of these communities is related directly to the creation, dissemination and conservation of symbolic contents in each of these regions of the country.

- **Classification of activities and products**

Classification CIIU Rev. 3,1 A.C associated to the Sector of the Natural Heritage corresponds to the class 9233 "Activities of botanical and zoological gardens and national parks".

- **Units of observation**

They are the legally constituted botanical gardens of Colombia, with information available, reliable and susceptible to be analyzed. The Colombian System of National Natural Parks is also included.

- **Description and sources of information and procedures of estimation**

The estimates included in the production account, the SUT and the expenditure account, are based on the following sources of information:

- **Special Administrative Unit of the System of National Natural Parks:** this unit is part of the organic structure of the Ministry of the Environment and Sustainable Development, with administrative and financial autonomy, jurisdiction in all the national territory, according to the terms of article 67 of Law 489 of 1998. This organization is in charge of the administration and

management of the National System of Natural Parks and of the coordination of the National System of Protected areas.

- **Environmental National Fund (FONAM):** it is the special system devised for handling accounts in the Ministry of the Environment and Sustainable Development, created by Law 99 of 1993; it is an organization with legal status and its own capital, but without administrative structure nor personnel. The same Law 99 defined that the operation of the fund would be carried out with the human, physical and technical resources of the Ministry.
- **Colombian National Network of Botanical Gardens:** it groups the legally constituted botanical gardens of Colombia. The national network is a non-profit association, a non-governmental organization, of infinite duration and limitless number of members, submitted to the Colombian laws.

- **Production Account**

For the identification of the universe of natural reserves, the list of national parks, natural sanctuaries and reserves was reviewed, including the parkway and the unique natural area that is a part of the National System of Parks. In the case of the Colombian Botanical Gardens, the universe was identified with the information provided by the National Network of Botanical Gardens. Some gardens are the property of universities; others are or belong to Non-profit Private Institutions (IPSFL). Regional Independent Corporations manage some of them, the rest is managed by municipal administrations.

The following table includes the protected parks recognized since 2005:

Table 9. System of National Parks Protected areas since 2005

Created in	Name	Region	Department	Hectares
2005	Serranía de los Yariguies Natural National Park (52)	Andean Eastern Range	Santander	78.837
2007	Volcanic complex Doña Juana Cascabel Natural National Park (53)	Pastos complex	Cauca, Nariño	65.858
2007	Serranía de los Churumbelos Auka-Wasi Natural National Park (54)	Amazonian	Cauca, Caquetá, Putumayo	97.189
2008	Sanctuary of Fauna and Flora and medicinal plants Orito Ingi-Ande (55)	Amazonian	Huila Nariño	10.204
2009	Yaigójé Apoporis Natural National Park	Amazonian	Vaupes Amazonas	1.060.603
2010	Uramba Bahía Málaga Natural National Park	Pacific	Valle del Cauca	47.094

Sources : Colombian National Parks.

The list of all the botanical gardens of the country was obtained. Nevertheless not all of them provided the information that was necessary for the calculations of the CSA.

Table 10. Colombian Botanical Gardens

Name	Location
Alejandro von Humboldt Botanical Garden	Ibagué
José Celestino Mutis Botanical Garden	Bogotá
Cali Botanical Garden	Cali
Marsella Botanical Garden	Marsella
Medellín Botanical Garden-Joaquín Antonio Uribe	Medellín
San Andrés Botanical Garden	San Andrés
Pacific Botanical Garden	Playa Mecana
Quindío Botanical Garden	Calarcá
Eloy Valenzuela (C.D.M.B.) Botanical Garden	Bucaramanga
Guillermo Piñeres Botanical Garden	Cartagena
Jotaudó Botanical Garden	Jotaudó
Juan María Céspedes Botanical Garden	Tuluá
Quinta de San Pedro Alejandrino Botanical Garden	Santa Marta
San Jorge Botanical Garden	Ibagué
Caldas University Botanical Garden	Manizales
Pereira Technological University Botanical Garden	Pereira
Jorge Ignacio Hernández Camacho Hidrobotanical Garden	Caucasia

Source: Colombian Network of Botanical Gardens.

Once the procedures to obtain and refine the basic data were concluded, it was clear that the main sources with adequate accounting data were: Unit of Parks and the Environmental National Fund of the Ministry of the Environment and the National Network of Botanical Gardens.

With the available information and permanent consultation of the sources, it was clear that the characteristic production of this activity is, to a great extent, a non-market one; the same situation arises with the secondary production. It was then considered useful to introduce three subcategories for production: main non-market production, main market production and secondary production.

- **Production**

Total value of production was obtained as the sum of the expenses, which is the usual methodology in the System of National Accounts for the measurement of production of government (non-market production).

The value of the secondary production refer to services that are not associated with the main purpose of these organizations such as sales of foods and drinks, hotel services, parking lots, among others.

- **Intermediate Consumption:** the information on intermediate consumption was obtained from the financial statements using the codes of the Unique Accounting Plan (PUC) that correspond to general expenses.
- **Value Added:** value added was estimated following the methodology of measurement from the perspective of supply, as the difference between total production and intermediate consumption.

In order to estimate the production account and the SUT, at constant prices, which allows eliminating the effect of the change in price from the change of total value, the Consumer Price Index was used as deflator (total CPI). Once established the deflator index, the constant values were calculated following the general methodology established for the National Accounts of Colombia, at 2005 prices by linking.

- **Supply and Use Table**

In order to elaborate the Supply and Use Table for the characteristic product of the activity, the following variables were identified: production at basic prices, final consumption expenditure of households and final consumption expenditure of government.

- **Expenditure Account and its financing**

The expenditure account includes the agents that pay for a good or the service under study and the last beneficiaries of these goods or services, those who enjoy them. The expenditure account was elaborated taking as reference the SUT for the services of the natural reserves and botanical gardens.

When analyzing the financers, it appeared that the households participate by paying the entrances to the natural parks and botanical gardens, as well as with the acquisition of goods and services offered in these spaces and associated with the main purposes of the organization, as the sale of elements of the greenhouses. The other agents who finance the expenditure are the central and local government.

2.3. COMPUTATIONAL TOOLS USED

The basic statistics provided by the different sources of information, are processed and consolidated in EXCEL tables.

The calculations of the selected sectors are realized in a practical way and up to now, they have not required advanced software. For future developments it is proposed to update the data for the years of reference using an automatic procedure. At the moment the information available for the 8 sectors, corresponds to the period 2005 to 2012, results that are due to be updated yearly.

2.4. DESIGN OF METHODS AND MECHANISMS FOR QUALITY CONTROL

Twelve sectors integrate the SCA at the present time: literary, musical, theater creation, etc.; books and publications; scenic arts and artistic performances; plastic and visual arts; audio-visual; production and musical edition; design; games and toys; material heritage; natural heritage; artistic education; creative advertising (this last segment was introduced following the requirement by the Group of Advertising Enterprises of Colombia-UCEP, interested in particular in studying the economic behavior of the sector).

Today there are results for the following sectors: editorial, audio-visual, production and musical edition, games and toys, natural heritage, artistic education, creative advertising, scenic arts and artistic performances. In these circumstances the quality control mechanisms for all the cultural segments have not been implemented yet. A coherence and consistency control is carried out, in particular with respect to the same series within the National Accounts Central Framework.

In the different processes of the statistical operation and the calculations involved to obtain the final tables, follow-up and control are realized assuring the quality of the results. These controls are supported by the review of the growth rates calculated in the series of years under study, so as to establish the consistency of the data overtime, as well as the change overtime of each of the activities and products, the participation of these products and activities within the respective cultural segment, and with respect to the total economy.

2.5. DESIGN OF THE ANALYSIS OF RESULTS

2.5.1. Statistical analysis

The established quality controls for basic information in terms of confidence, coverage and timeliness of the results, are partially applied, since the CSA account is in a construction stage and the total scope of this research has still not been achieved. At the present time, the quality controls, for the sectors which results have been disseminated, are done as follows:

Confidence: the coherence and consistency of the data sent by the source of information is analyzed.

Coverage: it corresponds to obtaining all the data of the related sources of information (table of sources by cultural segment) for its future use in the respective calculations to each sector.

Timeliness: this indicator is established with respect to the annual programming made by the Direction, based on the SPGI (System of Support to the Institutional Management)

For these indicators a guide of calculation procedures will be constructed, once all the cultural segments defined in the CAB Manual are included.

As far as the obtained results, the SCA only realizes analysis from the point of view of **descriptive statistics**, in areas as collecting, ordering, representativeness of the data set, in order to elaborate an appropriate description of its basic characteristics. This is an exercise of derived statistics; therefore it does not include analyses of statistical inference.

2.5.2. Context Analysis

It is performed once the aggregates have been calculated and the times series have been constructed. This is done by interacting with the sources, sending the series of variables and requesting the necessary explanations to justify the different changes presented during the process.

The context analysis also refers to the economic sectors calculated within the National Accounts Central Framework by reviewing that the information keeps consistency with the calculations in the SCA, otherwise, the respective corrections or justifications are introduced on a case by case basis.

2.5.3. Experts Committees

In agreement with the guidelines established by the institution, two committees are set up: the **internal committee**, with participants invited from the different technical areas from DANE, advisers to the Chief Statistician and the Deputy Chief Statistician, and other areas of support. This committee's objective is to validate the basic information used and its treatment, as well as the consistency of the results with respect to other statistical operations performed by DANE.

The **external committee** has a limited period for action. It should meet shortly before the publication. It comprises the highest number of agents and institutions involved in the development of the sectors being studied, in order to make a validation of the sources and the treatment of the data they have contributed, and to verify the consistency of the SCA results with studies made by the associations and the academia on related topics.

2.6. DESIGN OF DISSEMINATION

It follows the established procedures in the quality management system, for the process of statistical dissemination. It complies with the programming of publication and the formats designed for this process. The results for the cultural segments are published once a year.

2.6.1. Administration of the data repository

The storage, maintenance and dissemination of the data, is realized monthly in a space provided in the Direction of Synthesis and National Accounts server, whose process is handled by the Systems Office of the organization.

2.6.2. Products and instruments of dissemination

The design and publication of results were enunciated in numeral 2.1.5. Three output tables published for each of the cultural segments and their respective products or subsectors. They include the Production Account, the Supply and Use Table and the Expenditure Account and its financing. The results use 2005 as base year as is the case of the National Accounts.

The publications are adapted to the procedures in the quality management system established by DANE's Direction of Dissemination, Marketing and Statistical Culture, and in agreement with the publication requirements. These results are complemented by reviews by the Chief Statistician, the Deputy Chief Statistician, and include documents as the press bulletin and a press release.

The following Table 11 shows the 8 cultural segments and the sub-segments calculated and published, as well as the products and activities calculated, considering the respective economic classification and the related products.

The results of the sectors of the SCA can be found in DANE's webpage, following the path:

<http://www.dane.gov.co/index.php/esp/cuentas-economicas/cuentas-satelite/77-cuentas-nacionales/cuentas-anauales/5833-cuenta-satelite-de-cultura-2011-2012-xxx>

In this link the sector of interest should be selected, for example, the sector edition of newspapers, periodic magazines and publications.

These data for the selected sectors are updated annually and they are updated to the same year in which the Annual Accounts of goods and services are published. They correspond to year n-2, that is to say, 2 years before the year in which they are published.

Table 11. Cultural segments calculated and published

Cultural Segment	Cultural Subsegment CAB Manual	Cultural subsegments calculated and published	
		Output (SUT) Expenditure table	Activity – Production Account
Scenic arts and artistic performances	Theater	Production services and presentation of artistic spectacles	Theater and musical activities, and other artistic activities. Current and constant prices
	Dance		
	Performances articulating theater, dance and music		
	Other forms of performing arts (circus, pantomime, narration, declamation, etc.)		
	Interpretation with alternative media (visual arts)		
	Live audiovisual performances		
Books and publications	Books (In paper, CD, digital devices, internet)	Books	Books
	Periodicals	Newspapers, magazines and periodical publications	Newspapers, magazines and periodical publications
	Other publishing products (scores, postcards, posters, calendars, etc.)	Other publishing works	Other publishing works
Audiovisual	Cinema and video	Video Exhibition rights for films	Subscription Television services Production and distribution of films
	Radio	Radio and television	

	Television	Exhibited films	Radio and TV production and broadcasting
	Multimedia		Exhibition of videos and films
	Videogames		
Music	Music publishing	Records, tapes and other materials for registering sound and analogous	Records, tapes and other materials for registering sound and analogous
	Phonographic production		
	Natural reserves		
Natural heritage	Botanical gardens and zoological	Activities of natural national parks and botanical gardens	Activities of natural national parks and botanical gardens
	Zoology, Mineralogy and anatomy collections		
Artistic Education	Artistic education in the general education programs	<u>Products:</u> Artistic education in -pre-primary, primary and medium education, -in higher education, and -in training (vocational and human development)	Artistic education in the higher level, in IES exclusively
	Specialized artistic education		
	Training in heritage conservation, museology, etc.		
Advertising	Creative Advertising	Creative Advertising	Creative Advertising

Source: CSA Working party.

2.7. EVALUATION PROCESS

In the evaluation process, all the doubts, explanations and recommendations received during the revision of the data by the different groups and participant committees in the presentation of results are put together.

The information of the evaluation process is produced once the reviews of the coordination have been made, in a joint effort with the satellite account staff. Adjustments are also introduced according to the comments received during the respective committee meetings.

GLOSSARY

Acquisition principle: principle used in National Accounts. According to this principle, the acquisitions of individual goods and services by the general government and the NPISH are assigned to the households that benefit from them (SNA 2008).

Actual final consumption of general government: the value of the actual final consumption of general government is equal to the value of its total final consumption expenditure less its expenditure on individual goods or services provided as social transfers in kind to households. The value of the actual final consumption of government units is thus equal to the value of the expenditures they incur on collective services (SNA 2008 par. 9.103).

Ancillary (cultural) product: it is a product that does not contribute to the generation of symbolic contents, is not one of its inputs, but makes possible this generation, and its exclusive use is to make the dissemination of cultural contents possible (CAB Manual).

Beneficiary of a cultural expenditure: any economic agent who benefits of this expenditure, regardless of the payment made by him/her (total, partial or no payment at all) (CAB Manual).

Beneficiary principle: principle used in the CSA. The expenditure is assigned to the entity benefiting from it, independently from the entity that pays for it: it generalizes the acquisition principle to other institutions and sectors (CAB Manual).

Capital transfer: capital transfers are unrequited transfers where either the party making the transfer realizes the funds involved by disposing of an asset (other than cash or inventories), relinquishing a financial claim (other than accounts receivable) or the party receiving the transfer is obliged to acquire an asset (other than cash) or both conditions are met (SNA 2008 par. 8.10).

Characteristic (cultural) product: its particularity is that there is interest in describing how they are produced (CAB Manual).

Characteristic cultural activity: it is a productive activity which most important output consists of a characteristic cultural product (CAB Manual).

Collective services: certain kinds of services that are provided collectively to the community as a whole. The characteristics of these services may be summarized as follows: They are delivered simultaneously to every member of the community or to particular sections of the community, such as those in a particular region of a locality; the use of these services is usually passive and does not require explicit agreement or active participation of all the individuals concerned; and the provision of a collective service to an individual does not reduce the amount available to others in the same community or section of the community. There is no rivalry in acquisition (SNA 2008 par. 9.96).

Connected (cultural) product: products other than characteristic of culture that are part of cultural expenditure (CAB Manual).

Connected (cultural) product properly called: they are part of specific cultural products, those that create, express, interpret, conserve and transmit symbolic contents, though there is no particular interest in knowing how they are produced (CAB Manual).

Consumption of fixed capital: it is the decline, during the course of the accounting period, in the current value of the stock of fixed assets owned and used by a producer as a result of physical deterioration, normal obsolescence or normal accidental damage (SNA 2008 par 6.240).

Creative industries: they originate in the individual creativity, the ability and the talent, and have a potential of creation of wealth and employment through the generation and use of intellectual property (CAB Manual).

Cultural heritage: it includes those products and practices having a symbolic value and as a consequence may also have a historical value. Through them collective identities are expressed (CAB Manual).

Cultural industries: industries that combine some industrial functions of conception, creation and production, with industrial functions of large-scale manufacturing and communication using physical support or hardware. Another definition could be

“Cultural industries are those that produce on industrial scale certain cultural goods and services on tangible or electronic supports, and use as input creations protected by copyright” (CAB Manual).

Culture (ample definition): it includes the characteristics, beliefs, conventions, forms of coexistence, customs, imaginary, systems of values and symbolic practices, collective and individual, prevailing in a group (CAB Manual).

Culture (operative definition): it is a set of human activities and products whose *raison d'être* consists of creating, expressing, interpreting, conserving and transmitting symbolic contents (CAB Manual).

Culture expenditure: it includes the expenditure for the acquisition of cultural goods and services, the expenditure related to the development of the infrastructure required for the inherent production in the future (gross capital formation), the expenditure in cultural practices and in other grants that promote the access to culture (CAB Manual).

Cultural Satellite Account: it is a systematic and coherent accounting framework, derived from National Accounts, organized in tables whose entries are interrelated and present detailed information on the functioning and the economic characteristics of Culture (CAB Manual).

Current transfer: in short terms, a transfer that is not a capital transfer is a current transfer. It is a transfer that does not oblige one or both parties to acquire, or dispose of an asset (SNA 2008 par. 8.10)

Depreciation: it represents the decline, during the course of the accounting period, in the current value of the stock of fixed assets owned and used by a producer as a result of physical deterioration, normal obsolescence or normal accidental damage (SNA 2008 par. 6.240)²¹.

²¹ This term is avoided in the SNA and **consumption of fixed capital** is preferred because in commercial accounting it is often used to write off historic costs whereas the SNA consumption of fixed capital depends on the current value of the asset.

Expenditure table (CSA): it is a table presenting the cultural expenditure classified by type of beneficiaries and type of financing units (CAB Manual).

Final consumption expenditure of general government and NPISHs: final consumption expenditure incurred by general government and NPISHs includes a wide range of consumption goods and services, either on collective services or on selected individual goods or services (SNA 2008 par. 9.84 and par. 9.105).

Financing units: these are the agents who pay for the goods and services or transfers received by the beneficiaries (CAB Manual).

Full-time equivalent employment: indicator widely used in labor markets analysis. It is defined as total hours actually worked by all employed persons divided by the average number of hours actually worked in full-time jobs (SNA 2008 par. 19.43).

Gross Domestic Product: measures the value created by the productive activities of the resident institutional units. It consists mainly of the sum of gross value added, plus the taxes net of subsidies on products not included in the value of output (SNA 2008 par. 16.47).

Household actual final consumption: it consists of the consumption goods and services acquired by individual households. The value of household actual final consumption is given by the sum of three components:

- a. The value of households' expenditures on consumption goods or services including expenditures on nonmarket goods or services sold at prices that are not economically significant.
- b. The value of the expenditures incurred by government units on individual consumption goods or services provided to households as social transfers in kind.
- c. The value of the expenditures incurred by NPISHs on individual consumption goods or services provided to households as social transfers in kind (SNA 2008 par. 9.81).

Immaterial cultural heritage: it corresponds to practices, representations, expressions, knowledge and techniques that bring to the communities, the groups and the individuals a sense of identity and continuity that is transmitted from generation to generation, and that the communities and the groups recreate permanently based on its meaning, its interaction with nature and its history (CAB Manual).

Individual good or service: individual goods or service are essentially “private”: they have the following characteristics:

- (a) It must be possible to observe and record acquisition of the good or service by an individual household or member thereof and also the time at which it took place.
- (b) The household must have agreed to accept the provision of the good or service and to take whatever action is necessary to make it possible, for example by attending a school or clinic.
- (c) The good or service must be such that its acquisition by one household or person, or possibly by a small, restricted group of persons, precludes its acquisition by other households or persons. (SNA 2008 par. 9.92).

Intangible assets: see Tangible assets.

Intellectual property products: examples of intellectual property products are the results of research and development, mineral exploration and evaluation, computer software and databases, and literary or artistic originals. They are characterized by the facts that most of their value is attributable to intellectual endeavor. They can be described in general terms in the following way. Intellectual property products are the results of research, development, investigation or innovation leading to knowledge that the developers can market or use to their own benefit in production because use of the knowledge is restricted by means of legal or other protection (SNA 2008 par. 10.98).

Interdependent (cultural) Product: the interdependent goods and services are products used as inputs or as capital assets by the cultural characteristic activities. These products may be considered as completely linked to the cultural activity. Its exclusive role is to participate in the cultural production or to support a cultural activity or to create the conditions that make it possible, but its own nature is not to create, to express, to interpret, to conserve or to disseminate symbolic contents (CAB Manual).

Intermediate consumption: it consists of the value of the goods and services consumed as inputs by a process of production, excluding fixed assets whose consumption is recorded as consumption of fixed capital (SNA 2008 par. 6.213).

Job: the agreement between an employee and the employer defines a job and each self-employed person has a job. The number of jobs in the economy exceeds the number of persons employed to the extent that some employees have more than one job. It is a set of specific tasks and responsibilities constituting the explicit or implicit contract between a person and an institutional unit to carry out and assume them in exchange for remuneration during a defined period or until new notice (SNA 2008 par. 19.30).

Knowledge-capturing products: knowledge capturing products concern the provision, storage, communication and dissemination of information, advice and entertainment in such a way that the consuming unit can access the knowledge repeatedly. The industries that produce the products are those concerned with the provision, storage, communication and dissemination of information, advice and entertainment in the broadest sense of those terms including the production of general or specialized information, news, consultancy reports, computer programs, movies, music, etc. The outputs of these industries, over which ownership rights may be established, are often stores on physical objects (whether on paper, or electronic media) that can be traded like ordinary goods (SNA 2008 par. 6.22).

Market Output: market output consists of output intended for sale at economically significant prices (SNA 2008 par. 6.99).

Material cultural heritage: it includes the historical monuments, the archaeological patrimony, the patrimony kept in the museums, printed audio-visual content and repositories or text files and objects with a historical character (CAB Manual).

Mixed income: mixed income is the surplus or deficit accruing from production by unincorporated enterprises owned by households; it implicitly contains an element of remuneration for work done by the owner, or other members of the household, that cannot be separately identified from the return to the owner as entrepreneur (SNA 2008 par. 20.49)

Non-market output individual or collective goods and services produced by the IPSFLSH or by the government, supplied free, or at prices that are not economically significant, to other institutional units or to the community as a whole (SNA 2008 par. 6.128).

Non-terminal product: a specific product is non-terminal when it is used as intermediate consumption for the production of another characteristic product (CAB Manual).

Occupied person: employment in the SNA is defined as all persons, both employees and self-employed persons, engaged in some productive activity that falls within the production boundary of the SNA and that is undertaken by a resident Institutional unit (SNA 2008 par. 7.19).

Production account: it records production as an economic activity in which a producer uses inputs and capital in order to obtain other goods or services (SNA 2008 par. 1.17).

Remuneration of employees: total remuneration, in cash or kind, paid by an employer to an employee in return for the work carried out during the accounting period (SNA 2008).

Self-employed worker: self-employed persons are persons who are the sole or joint owners of the unincorporated enterprises in which they work, excluding those unincorporated enterprises that are classified as quasi-corporations (SNA 2008 par. 19.25).

Subsidies: current unrequited payments that governmental, including non-resident government units, make to enterprises on the basis of the levels of their production activities or the quantities or values of the goods or services that they produce, sell or import (SNA 2008 par. 7.98).

Tangible assets: the SNA does not formally include a division between tangible and intangible assets in the classification. However the categories of dwellings, other buildings and structures, machinery and equipment, weapons systems and cultivated biological resources can be taken to correspond to tangible assets and the other categories to intangible assets (SNA 2008 par. 10.67).

Taxes on production and on imports: taxes on production and on imports consist of taxes on products and other taxes on production. Taxes on products consist of taxes on goods and services that become payable as a result of the production, sale, transfer, leasing or delivery of those goods or services, or as a result of their use for own consumption or own capital formation. Other taxes on production consist mainly of taxes on the ownership or use of land, buildings or other assets used in production or on the labor employed, or compensation of employees paid (SNA 2008 par. 7.73).

Taxes on products: taxes on products consist of taxes on goods and services that become payable as a result of the production, sale, transfer, leasing or delivery of those goods or services, or as a result of their use for own consumption or own capital formation (SNA 2008 par. 7.73).

Terminal product: a characteristic product is terminal when it is used as intermediate consumption in some production process that does not correspond to a cultural characteristic activity (CAB Manual).

Transfer: transaction by means of which an institutional unit provides goods, services or assets to another institutional unit without receiving from the latter any good, services or asset in return as a direct counterpart (SNA 2008 par 8.10).

Valuables: they are goods of considerable value. They are not used up in production or consumption. Valuables are acquired as stores of value (SNA 2008 par 6.214).

Volunteer work: a person who participates in a process of production goods for some organization (company/institution/home) or of services for a market organization. This work undertaken voluntarily is not remunerated (SNA 2008 par 7.41).

Wage employment: the relationship of employer to employee exists when there is an agreement, which may be formal or informal, between the employer and a person, normally entered into voluntarily by both parties, whereby the person works for the employer in return for a remuneration in cash or in kind (SNA 2008 par. 19.20).

