

ROLE OF THE CULTURAL SECTOR IN ENHANCING ECONOMIC PERFORMANCE: A STATISTICAL STUDY OF THE EUROPEAN UNION COUNTRIES BOUDJEMAA

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Received: 12/2023

Published: 02/2024

ABSTRACT:

In this research paper, we sought to address the issue centered on the economic role of the cultural sector. To answer this question, the study was divided into two main sections. The first section deals with the historical development of the cultural economy, while the second presents statistics on the contribution of the European Union's cultural sector to job creation and the relationship between the added value of the cultural sector and the economic growth rate of the European Union. The research concluded that the cultural sector has a moderate contribution to enhancing economic growth rates and in creating jobs.

Keywords: Culture; Economy; Employment Opportunities; Economic Growth; Tourism.

INTRODUCTION:

Amid the growing volume of economic activities worldwide, many researchers in the cultural field have emphasized the necessity of transforming the concept of culture into an economic force. This transformation can be achieved through leveraging the cultural diversity of peoples to generate significant economic returns, such as cinema, traditional handicrafts, artistic crafts, photography, book publishing, radio, and other cultural products. These are considered means of expressing the identity and authenticity of society, in addition to their contribution to providing job opportunities for the unemployed, supporting tourism, and enhancing economic growth. From this perspective, we addressed the following issue:

What is the role and economic importance of the cultural sector? ○

ResearchHypotheses:

- The cultural sector possesses significant potential that makes it an outstanding economic and cultural sector.
- The cultural sector contributes to creating job opportunities for the unemployed.
- The cultural sector plays a role in achieving economic growth.

○ **Significance of the Study:**

- The cultural sector has both cultural and economic dimensions.
- Demonstrating the role of culture as an economic sector in achieving economic growth and creating job opportunities for the unemployed.

○ **Objectives of the Study:**

- To define the theoretical concepts of cultural economics.
 - To determine the economic role of the cultural sector by assessing its contribution to providing job opportunities and supporting the economic growth of the European Union.
- **Methodology:**

This research was divided into two parts: the first part discusses the basic theories of historical development and the characteristics of the cultural economy. The second part presents some statistics of the European Union's cultural sector to determine its contribution to economic growth and job creation for the unemployed.

The First Section: The Theory of Cultural Economics

1. History of Cultural Economics:

The origins of cultural economics can be traced back to the 1960s, coinciding with an increase in the number of professional economists, especially in higher education and universities. This field was pioneered by economists noted for their broad achievements in various economic areas. These individuals continued to contribute across different economic domains, not confining themselves to cultural economics exclusively.

They also played key roles in the Association of Cultural Economics International (ACEI) and the Journal of Cultural Economics (JCE), although leadership within these organizations was not exclusive to them. Leading figures among these economists included William J. Baumol, Mark Blaug, and Sir Alan Peacock, with notable works such as Baumol and Bowen's publication in 1966, Blaug's research in 1977 and 1978, and Peacock's contributions in 1969 and 1998¹

For a considerable time, many economists maintained a limited or weak perspective on culture, viewing it as a non-profit, non-market-oriented activity. This perspective persisted until Baumol and Bowen's research in 1966². Since the crisis of the 1970s that impacted many industrial countries,

¹ Samuel, Cameron, Cultural Economics, 2019, p.12

² Emmanuel Négrier, Marion Vida, "The Economic Impact of Culture: Real Challenges and False Leads," HAL open science, 2017, p.2.

leading to significant shifts in their production structures, there has been growth in both market and non-market service activities, alongside an increase in the production of goods and services with high cultural content.

This period marked the rise of sectors like cinema, music, publishing, fashion, video games, and advertising as cultural products increasingly distributed in a global market. These sectors, deriving from such products, constitute the core of the cultural economy, accounting for over 5% of employment in industrial countries.³

Researchers contend that, compared to other sectors, culture does not yield significant production gains. This is due to cultural activities often leading to increased costs and prices, which may result in the loss of customers and, subsequently, financial deficits. This phenomenon, described by Baumol and Bowen in 1966 as "Les maladies des coûts" or "The Cost Disease," is characterized by escalating costs in sectors where productivity fails to improve, necessitating higher wages. To counteract the financial challenges faced by the performing arts industry, they suggested governmental financial support.⁴

To elucidate, consider the example of a company manufacturing computers, which might achieve a 60% annual increase in productivity, thereby justifying higher wages. This dynamic is difficult to achieve in the context of a classical music concert. In such settings, violinists cannot be substituted with technology, and there's a cap on the number of performances they can deliver. Here, demand remains inelastic despite the paramount importance of maintaining high-quality standards and reasonable pricing.

The primary differentiator in this scenario is quality. However, audiences desiring more enthralling performances will inevitably face higher ticket prices, which hampers the ability to attract new patrons and eventually saturates the market demand. Faced with this dilemma, governments are presented with two choices: subsidize the more expensive performances or permit a significant number of industry participants to exit the market. Consequently, Baumol was a proponent of government subsidies.⁵

Baumol and Bowen's exploration into the "Cost Disease" theory highlights its impact on artistic institutions over time and at a macroeconomic level. They delineated between sectors experiencing productivity gains and those with stagnant productivity. The latter experiences wage increases without

³ Mariette Sibertin, Jean Marc Zuliani, Frederic Leriche, Sylvie Daviet, "The Cultural Economy and Its Territories: What Are the Stakes?" Book, 2008, p.1.

⁴ Timothy, William Baumol, "Whose Famous Economic Theory Explains the Modern World Has Died," May 2017, available at: <https://www.vox.com/new-money/2017/5/4/15547364/baumol-cost-disease-explained>. Viewed: 10/05/2021.

⁵ Alexandre Delaigue - "What is the 'Cost Disease'?" - econoclaste, available at: <http://econoclaste.eu/econoclaste/questions-et-reponses/la-question-et-sa-reponse/?codefaq=90>. Consulted on: 13/05/2020.

corresponding productivity enhancements, leading to elevated costs within these sectors without a rise in productivity. This imbalance predisposes such sectors to financial deficits.

Illustrating Baumol and Bowen's principle, a theatre director compared the scenario to a watchmaker who spends two months crafting a watch and Molière, who required eight actors to initiate a play and another eight for the performance. This analogy underscores the "Cost Disease" in cultural activities, where increasing costs are not offset by higher revenue, justifying the need for state intervention.⁶

Other scholars posit that ancillary activities related to culture, such as distribution, ticketing, and media coverage, can broaden the audience base and achieve production gains.

Following the widespread recognition of Baumol and Bowen's work on the "Cost Disease," there was a surge in interest in cultural economics. This led to the establishment of the "Journal of Cultural Economics," the publication of surveys on the subject, and the introduction of cultural economics courses at significant national economics conferences during the 1980s, thereby acknowledging cultural economics as a distinct field of study, akin to health economics.⁷

Cultural economics has gained prominence due to the critical role creativity plays in the global economy. Modern economic paradigms underscore the significance of culture as a factor of production, attributing considerable value to intangible elements in the creation of new goods. The knowledge economy challenges the traditional view of art as a perpetually renewing heritage source. Artistic endeavors stimulate creativity, enriching all economic sectors with a plethora of references in terms of brands, shapes, colors, symbols, etc., through the development of creative methodologies and the provision of specialized products to targeted markets.⁸

Négrier noted that the term "cultural economics" has historically evolved over the years. However, it did not become widely prevalent, especially at the institutional level, until the publication of the "Journal of Cultural Economics" in 1977, marking a significant development in the field.

In studies of cultural economics, the 1998 Deschartris report for the Economic and Social Council defined it as a "new economy born out of cultural life."⁹ Furthermore, cultural activities and events generate income for other sectors like transportation, restaurants, and hotels, providing additional income for other local institutions.

⁶ Pierre Francois, "Is the Cost Disease Contagious? The Case of Early Music Ensembles," *Sociology of Work*, Center for Sociology of Organizations, Paris, France, 2004, pp. 480-481

⁷ Duvaux Pierre, Jean Benghozi, Dominique Sagot, "The Economies of Culture," *Networks*, Vol. 12, No. 68, *Theories of Reception*, 1994, pp. 115-116.

⁸ Mélika Ben Salem - Xavier Greffe - Véronique Simonnet - "Culture and Growth: Lessons from the French Experience 1975-2008" - Paris, p.4.

⁹ Emmanuel Négrier, Marion Vidal - op.cit – p. 2.

2. The Economic Nature of Culture:

Cultural economics is the application of economic principles to the arts. This approach extends beyond mere financial considerations, such as subsidies and costs, and employs an economic model

of human behavior to explore the social dimensions of the arts. "The Economics of the Arts" has thus emerged as a significant discipline within the economic analysis of social sciences.

The emphasis of cultural economics is on dissecting the economic aspects of the arts, moving beyond just financial analysis to leverage insights into human behavior, thereby enriching our understanding of the societal impact of the arts¹⁰In examining the historical role of culture within economic thought, we engage with human activities that offer utility beyond mere survival and functionality. For instance, consider a car: if its sole purpose is transportation from point A to point B, with B being the workplace, it might initially appear unrelated to cultural economics.

However, if the car is utilized for playing music or listening to the radio, it transforms into a conduit for cultural activity. Moreover, if the aesthetic appeal of the car—or its absence—provides utility or disutility, it becomes a component of the cultural economy.

Expanding on this notion, cultural outputs such as music or films might draw direct inspiration from the car, or the vehicle could symbolically feature in artistic expressions, exemplified by the film "The Cars That Ate Paris" (1974) or Prince's song "Little Red Corvette" (1983). This perspective posits that virtually any consumed or produced item can be regarded as cultural, suggesting that, fundamentally, all economics is cultural economics.

Broadening this notion, cultural manifestations such as music or cinema can find direct inspiration from automobiles, or vehicles may symbolically emerge within artistic expressions, exemplified by the cinematic piece "The Cars That Ate Paris" (1974) or the lyrical composition "Little Red Corvette" by Prince (1983). This perspective posits that virtually every item consumed or generated may be interpreted through a cultural lens; thus, it can be argued that economics, in its essence, is intrinsically linked to cultural dynamics.

Scholars within the domain of cultural economics expand their inquiry to encompass not merely activities that satisfy fundamental and straightforward needs but also venture into the exploration of luxury desires that contribute to enhancing overall well-being. To illustrate, consider the automobile: primarily seen as a means of transport from point A to point B, where B represents the workplace, its connection to cultural economics might not be immediately evident. Yet, this association evolves when the vehicle becomes a vessel for cultural engagement, such as through the playing of music or the operation of the radio, integrating cultural experiences within the automotive space.

Moreover, if the vehicle's design and aesthetics contribute to its utility or detract from it due to unappealing aesthetics, it then becomes an integral element of the cultural economy. This concept further extends to how cultural outputs, be it music or films, can draw inspiration from automobiles,

¹⁰ Frey,BS .and Merier 2006. A Companion to Museum Studies, MacDonald, Sharon, Blackwell Publishing Ltd, ,2006,p298

or how vehicles can serve as metaphoric and symbolic elements within artistic endeavors, as seen in "The Cars That Ate Paris" (1974) or Prince's "Little Red Corvette" (1983). Viewing from this

perspective, it becomes clear that nearly every consumed or produced entity may embody a cultural aspect; thereby, the entirety of economics is, fundamentally, a reflection of cultural economics ¹¹

3. Characteristics of Cultural Economics:

Cultural economics is characterized by several distinctive features that set it apart from other economic domains. It views culture not merely as a marker of societal identity but as an economic sector that competes and interacts with technological advancements. In this context, we will delve into some of the key attributes of cultural economics:

3.1 Increasing Utility of Cultural Goods:

In contrast to the conventional "economic utility theory," which posits that the utility derived from consuming a particular good increases to a maximum point and then decreases with further consumption, cultural economics observes a different phenomenon. Here, the consumption of cultural goods is unique because additional consumption increases satisfaction, rather than diminishing it. This characteristic underlines the notion that cultural goods possess an intrinsic value that grows with consumption, thereby fueling further economic activity. This phenomenon suggests that cultural products, through their consumption, not only enhance personal satisfaction but also contribute to the economic vitality by stimulating demand for more cultural experiences.

3.2 The Cultural Multiplier Effect in Increasing Production:

John Maynard Keynes, in his seminal work, elucidated how enhanced public expenditure within a given locale can precipitate a disproportionately significant augmentation in the nation's economic output where such investment is concentrated. This concept gives rise to the "cultural multiplier effect," which serves as a pivotal determinant of economic expansion and, by extension, the accumulation of wealth within the cultural domain.

The Guggenheim Museum in Spain stands as a quintessential illustration of this financial leverage in action. In the inaugural year of its establishment, an investment of 132 million euros was made, catalyzing an increment in the city's Gross Domestic Product (GDP) by 144 million euros, courtesy of direct spending by visitors. A decade following its inception, the magnitude of this financial leverage swelled, channeling an annual influx of 210 million euros into the city. This financial windfall precipitated a surge in commercial activities, the revaluation of cultural heritage, and the

¹¹ Samuel, cameron , cultural economics,2019 , p3.

revitalization of urban landscapes, collectively burnishing the city's allure and propelling tourism to new heights.¹²

3.3 The Profit Objective in Cultural Economics:

Cultural industries, in their pursuit of reaching consumers, strive to effectively market their offerings. This goal is realized through the application of modern marketing strategies,

encompassing market analysis and the utilization of advertising and promotional tactics, akin to those employed in the handicraft sector. The Louvre Museum in France exemplifies this approach, consistently generating revenues exceeding seven million euros annually, cumulatively amassing over 250 million euros since its foundation.¹³

3.4 Positive Externalities of Cultural Economics:

Cultural economics, a concept heralded by Marshall in the twilight years of the 18th century, exerts a profound influence that permeates beyond its immediate domain, instilling added value across a myriad of sectors. This dissemination of cultural wealth notably advantages industries such as tourism and labor, and significantly elevates urban branding, a testament to the dynamic economic rejuvenation fostered by cultural festivals.

The insights of Richard Florida regarding the pivotal role of externalities further underscore the wide-reaching societal dividends of cultural economics. This includes the digital metamorphosis of cultural assets, highlighting the far-reaching impact of cultural endeavors that extend well beyond mere financial metrics, thereby enriching the fabric of society at large.¹⁴

3.5 Real Value Measurement of Artworks:

In the realm of assessing the genuine value of artworks, economists have delineated two distinct categories: direct use value and indirect use value. Direct use value encapsulates the tangible benefits that consumers experience through their engagement with the artifact, quantified by its price, a composite of the inherent value of the good or service, augmented by associated costs of utilization, including transportation and time. For example, the financial outlay for attending a theatrical performance encompasses not only the admission fee but also ancillary expenses such as travel and the temporal investment required for the experience.

On the other hand, indirect uses encompass advantages accrued by secondary beneficiaries, such as the tourism sector reaping rewards from the presence of cultural heritage sites and festivities within

¹² Elise dubetz , estelle huchet , rogerburton , **op.cit.**p19.

¹³ Dominique Sagot-Duvaurox, Pierre Duvaurox, "Economic Analysis of Cultural Sectors: A Synthesis," report for the Regional Council of Pays de la Loire - Economics of Management - Faculty of Law - France - 2012 - pp. 26-27.

¹⁴ "The Louvre Museum Fully Benefits from the Profits of its Endowment Fund," available at: <https://www.lesechos.fr/industrie-services/services-conseils/le-musee-du-louvre-profite-a-plein-desbenefices-de-son-fonds-de-dotation-1154327> consulted on 20/03/2020.

a municipality, without directly incurring associated costs. Similarly, proprietors of real estate and hospitality venues enjoy enhanced value from their proximity to cultural establishments.¹⁵

Heritage assets, despite being under private ownership, confer benefits that radiate throughout society. Economists Victor and Hugo postulate that edifices possess dual attributes: functionality and aesthetics¹⁶. The practical utility of a building serves its owner, whereas its aesthetic appeal

bestows collective benefits. Such heritage landmarks act as catalysts for positive externalities; for instance, a monument situated within a community not only elevates the area's value but also uplifts the social well-being of its inhabitants.

These non-market benefits extend to the enrichment experienced by residents through the enhancement of urban environments or landscapes, fostering a sense of enjoyment, pride, and a personal connection to the cultural legacy, notwithstanding the presence of formal proprietors. This, in turn, contributes to the augmentation of human capital and elevates the nation's prestige.¹⁷

Economic analyst Richard Florida champions the perspective that the evolutionary trajectory of urban centers hinges on their magnetic appeal to the 'creative class'—a demographic at the epicenter of innovation dynamics within institutions and regions, magnetically drawn to cities endowed with robust cultural policies. Echoing this sentiment, Glaeser, Kolko, and Saiz have underscored that the flourishing of a locale is intricately linked to the influx of skilled labor, attracted to urban areas rich in cultural offerings.

Research conducted by Falk, FritschHeblich, and Otto underscores the significant sway that cultural facilities exert on the locational preferences of skilled labor. Over the span from 1989 to 2009, Pedroni and Sheppar compiled a comprehensive database for 384 American urban locales, establishing a correlation between cultural expenditures by non-profit cultural entities and the regions' Gross Domestic Product (GDP), thereby highlighting the profound economic implications of cultural investments.¹⁸

4 Uncertainty and Link of Cultural Projects with Other Economic Activities

4.1 Uncertainty in Cultural Projects:

The creative industries are characterized by inherent uncertainty, as highlighted by American economist Ritchard. Producers face significant unpredictability regarding the financial success of cultural products, despite the involvement of renowned stars, artists, and celebrities. This uncertainty extends to consumers, who can only evaluate the quality of a cultural product postconsumption,

¹⁵ Dominique Sagot, Pierre Duvaux, "The Ephemeral Value of Art and the New Territorial Dynamics," *L'Harmattan "Theatrical Studies,"* No. 67 - 2017, p.182.

¹⁶ Francois Benhamou, "Economics of Cultural Heritage," *La Découverte*, new edition, Paris, 2019, pp. 2324.

¹⁷ *Ibid*, pp. 22-23.

¹⁸ Dominique Sagot, Pierre Duvaux, "The Ephemeral Value of Art and the New Territorial Dynamics," *op.cit*, p.183.

complicating their decision-making process as the availability of cultural goods and alternatives increases.¹⁹

4.2 Integration of Various Art Forms:

Cultural domains are not isolated entities; they are part of an interconnected ecosystem that spans across different sectors, including productivity and market domains. For example, the economics of cinema cannot be detached from that of television, opera, or music economics; these are intertwined with the photography industry. Similarly, the fine arts sector encompasses more than just graphics, artisans, or painters, indicating the extensive integration within cultural fields.²⁰

4.3 Linkage of Cultural Activities with Other Economic Activities:

Cultural activities are intricately linked to various economic sectors not directly related to them, such as administrative, financial, technical services, and tourism services like photography and advertising. Studies have demonstrated that the relative significance of cultural activities escalates with a country's wealth, underlining that no economically prosperous nation exists without a thriving and diverse cultural sector.

5 Cultural Products as Unique Entities

Cultural heritage consists of irreplaceable goods, distinct from rare, non-unique items. The challenge lies in the potential irreversible loss of cultural heritage, which can be exacerbated by disasters or neglect of heritage assets. Legal and administrative frameworks alone are insufficient for the protection and preservation of cultural heritage. Victor and Hugo, advocates for the defense of art, national identities, and the prevention of demolition, authored "Stop the Demolition," amplifying the call against the degradation of heritage, which is seen as a diminishment of historical, identity, and artistic value. Contemporary life demands and fashion trends often lead to late regrets over the demolition of heritage sites.²⁰

The disappearance of many traditional crafts following the death of their creators signifies a loss attributed to a lack of recognition of the cultural and civilizational heritage's importance for identity. Additionally, the uniqueness of cultural heritage endows its custodians with monopolistic power, enabling them to set prices and control access, further emphasizing the unique economic and social role of cultural products and heritage within society.

The Second Section: The Impact of Culture in the European Union's Economic Sector

1. The Impact of the Cultural Economy on the Tourism Sector:

¹⁹ Dominique Sagot, Pierre Duvaux, "Economic Analysis of Cultural Sectors: A Synthesis," op.cit, p. 20.

²⁰ Duvaux Pierre, Jean Benghozi, Dominique Sagot, "The Economies of Culture," op.cit, p.185.

²⁰ Francois Benhamou, op.cit, p. 21.

Recently, museum visits have become economically significant as they represent one of the most important leisure activities and tourist attractions. Visitor numbers in the United States and Europe have increased, with Americans attending art exhibitions outnumbering those attending sports events, and spending significantly on these cultural experiences.

Tourism encompasses archaeological sites, historical locations, and artistic pieces, with international tourism covering a substantial portion of these cultural expressions. Examples include the TajMahal in India, the Louvre Museum in Paris, and the entire city of Venice in Italy.

The UNESCO Convention of 1972 emphasized the protection of both cultural and natural heritage, focusing on monumental sites and natural spaces of exceptional universal value from aesthetic, scientific, artistic, historical, or conservation perspectives. As of 2005, 811 sites were

listed on the World Heritage List, comprising 611 cultural sites, 154 natural sites, and 23 mixed sites across 137 countries²¹

Cultural tourism holds significant economic importance. For instance, Spain is among the most competitive countries in the tourism sector, recording approximately 14.4 million Spanish tourists and 8 million international tourists visiting for cultural leisure in 2016.

The total leisure trips made by international tourists accounted for about 12% of all trips, with international tourist expenditure totaling around 54,671 million euros, marking a 6.5% increase compared to 2015²²

Cultural tourism in Geneva represents a robust activity with substantial economic returns, attracting 45% of foreign tourists in Switzerland to its stunning historical and cultural sites, and 27% of foreign tourists in Geneva visit museums, theaters, or cinemas.

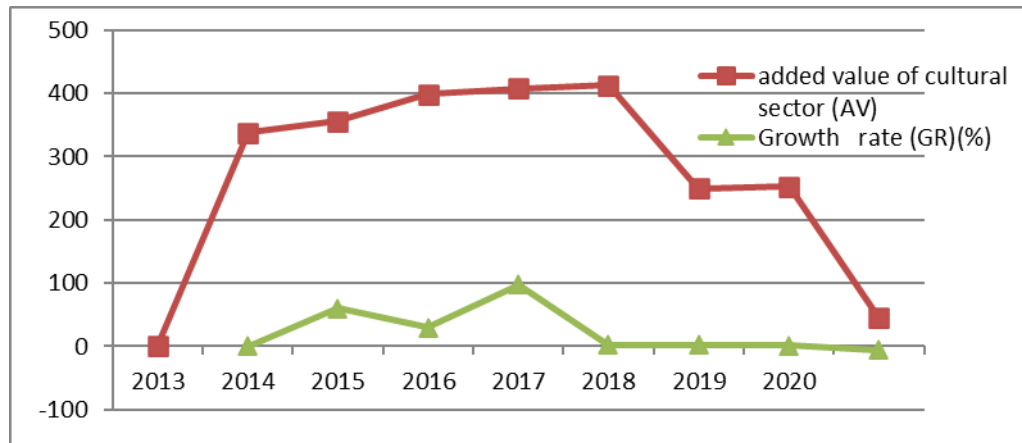
2. The Contribution of Culture to the Economic Performance of the European Union

Graph 01 illustrates the development of the added value of the cultural sector and the economic growth rate in the European Union countries from 2013 to 2018, showing an improvement in the sector's performance concurrent with economic growth rates. However, health measures taken to prevent the risks of the COVID-19 pandemic contributed to a decline in the sector's performance during the period 2020-2021.

Graph 01: Development of the Added Value of the Cultural Sector and the Economic Growth Rate in the European Union Countries during the Period 2013-2018.

²¹ Unesco, *Tourisme, culture et le developement durable*, 2006, pp 18-19 .

²² Rabat, ESLSCA Buisness school , *QUELLE IMPORTANCE DU TOURISME CULTUREL?*, 2015 :
<https://www.eslsc.ma/blog/quelle-importance-du-tourisme-culturel>



Source: Prepared by the researcher based on statistics extracted from the World Bank statistics and added value statistics from the following sites:

- <https://www.lecho.be/culture/general/la-culture-pour-reconstruire-l-europe/10281261.html>
- <https://www.cairn.info/revue-culture-chiffres-2016->
- <https://books.openedition.org/deps/1217?lang=fr>
- <https://eur-lex.europa.eu/legal-content/FR/TXT/HTML/?uri=CELEX:52018DC0321&rid=>

To explore the strength of the relationship between the cultural sector's performance and the economic performance of European Union countries, Pearson's correlation coefficient between the added value of the sector and economic growth is calculated.

Table 01: Pearson's Correlation Coefficient Between the Added Value of the Cultural Sector and Economic Growth within the European Union

Pearson Correlation Coefficient	+0.52
P(value)	0.17

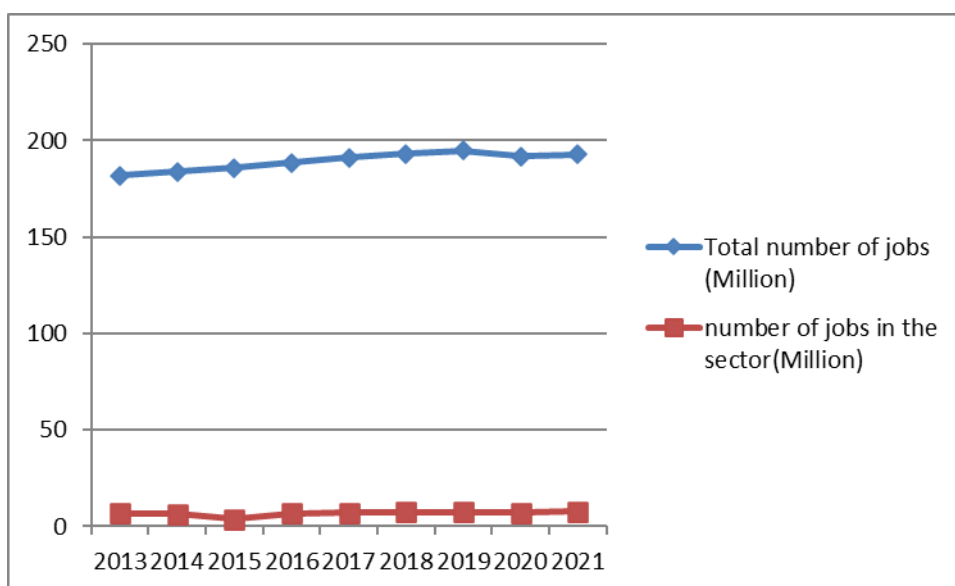
Source: Prepared by the researcher using Eviews 10

The results presented in Table No. 01 indicate a moderate correlation coefficient of +0.52 between the added value of the cultural sector and the economic growth rate in the European Union, which does not have significance at the 1% level ($p(\text{value})=0.17$). This suggests a modest contribution of the cultural sector to economic growth within the European Union during the study period.

3. The Contribution of the Cultural Economy to Employment in the European Union

Culture, like any other economic activity, contributes to reducing unemployment by creating jobs through cultural activities. Table 02 below shows the development of employment in the sector and in the economy as a whole. It indicates an increase in the number of employees during the study period except for the year 2020, due to the COVID-19 pandemic.

Graph 02: Development of Job Positions in the Cultural Sector of the European Union and the Total Number of Job Positions



Source: Prepared by the researchers based on table data.

Table 02: Number of Job Positions in the Cultural Sector and the Total Number of Jobs in the European Union

Years	Number of Jobs in the Sector (Million)	Total Number of Jobs (Million)
2013	6.76	181.86
2014	6.27	183.87
2015	3.83	185.76
2016	6.69	188.46
2017	7.17	191.09
2018	7.27	193.14
2019	7.36	194.84
2020	7.13	191.76
2021	7.73	192.85

Source: Employment data from the European Union website - Cultural sector employment statistics from various sites:

- [Eurostat Culture Statistics - Cultural Employment](#)
- [Statista Cultural Employment by Country in Europe](#)
- [All of Europe Economy and Social: Map of Employment in the Cultural Sector in Europe](#)

- [Relais Culture Europe](#)

Table (03): Correlation Coefficient Between the Number of Job Positions in the Cultural Sector and the Total Number of Jobs

Pearson Correlation Coefficient	+0.550
p (value)	0.11

Source: Prepared by the researchers using Eviews 10

The results from calculating the correlation coefficient between the number of employees in the cultural sector and the total number of jobs in the European Union reveal a moderate positive relationship, with the correlation coefficient being (+0.55) and not significant at the 1% significance level ($p(\text{value})=0.11$).

This indicates that the cultural sector moderately contributes to job creation in the European Union.

Conclusion:

Through our research paper, we have arrived at several conclusions in addition to answering the hypotheses we previously proposed:

We have validated the first hypothesis that the cultural sector possesses significant potential, making it an exceptional economic sector.

As for the second hypothesis, we found that the cultural sector contributes moderately to job creation in the European Union, indicating that the sector does not contribute significantly to job creation.

Regarding the third hypothesis, which states that the cultural sector contributes to economic growth, we concluded that the cultural sector's contribution to achieving economic growth within the European Union during the study period is modest, meaning that the cultural sector does not significantly contribute to economic growth.

In addressing the issue of the economic role of the cultural sector, we have reached several results:

Culture is considered an influential factor on the economy, with many thinkers analyzing the relationship between the economy and culture within the context of the cultural economy. This analysis focuses on the economic analysis of creative and artistic products, such as traditional and artistic crafts, cinema, books, theater, and other cultural industries. These cultural activities play an important role in increasing the Gross Domestic Product, supporting sustainable development, creating jobs, and promoting tourism.

Through the data, statistics, and study we conducted, we found that the cultural sector continuously improves its contribution to economic growth and job creation. However, this contribution is not sufficient to make the sector a leader in achieving economic development within the European Union countries.