The cultural and creative industries: a review of the literature

A report for Creative Partnerships
Justin O’Connor
School of Performance and Cultural industries
The University of Leeds
These reports have been commissioned to introduce readers to the main principles, theories, research and debates in the field. They aim to introduce the major themes and writing pertaining to each area of study and to outline key trends and argument.

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Creative Partnerships aims to develop schoolchildren’s potential, ambition, creativity and imagination. It achieves this by building sustainable partnerships between schools, creative and cultural organisations and individuals, which impact on learning. Phase 1 of the programme ran from April 2002 to March 2004. Sixteen Creative Partnerships were established in areas of economic and social disadvantage. Each Creative Partnership brokered partnerships between 15-25 schools and creative individuals and organisations. Nine Phase 2 Creative Partnerships areas joined the initiative in September 2004 and eleven Phase 3 areas were established during September 2005.

Creative Partnerships aims to influence policy and practice in both the education and cultural sectors. It was established by Arts Council England, with funding from the Department for Culture, Media and Sport (DCMS) and the Department for Children, Schools and Families (DCFS) in response to the National Advisory Committee on Creative and Cultural Education (NACCCE) report by Ken Robinson: All Our Futures: Creativity, Culture and Education (1999). It spearheads a raft of initiatives designed to develop creativity and encompasses social, personal and economic domains. As a flagship project, Creative Partnerships can have maximum impact if teachers, parents, children, youth and creative practitioners learn from the experience and activities that are delivered through the programme. For this reason one of the most significant legacies of Creative Partnerships will be the product of its research and evaluation and how that is effectively communicated to stakeholders.

However, because Creative Partnerships works by drawing from the widest fields of endeavour, the stakeholders often recognise that there is a ‘knowledge gap’ between reflection, analysis and learning from the programme. In addition, the wide focus of approach – which is fundamental to the nature of creativity – means that people are often working at the limit of their disciplines.

For these reasons we have commissioned a series of research monographs exploring the key issues in current literature and summarising the latest developments in each subject. Each monograph is written by an experienced and respected author or authors in their field. The reports aim to be accessible, clearly referenced and to act as ‘stepping-stone’ resources to underpin the research conducted by and for Creative Partnerships.

This report surveys the literature focusing on the history and theory of the cultural and creative industries. It explores both the history of the idea of the cultural industries and how this has changed and developed our current interest in the creative economy. It focuses on the conceptual ideas behind thinking in this area and lays out the reasons behind the shifts in terminology and policy. It is especially relevant to the broader ambitions for Creative Partnerships for two
reasons. First as research conducted by Burns Owens Partnerships in 2006 showed, Creative Partnerships can in some ways claim to be the largest single investment in artists and the arts sector – in terms of professional development – ever undertaken in the UK (Burns Owens Partnerships, 2006). Working with the cultural and creative sectors is key to Creative Partnerships’ success and ambitions and this report sheds light on some of the assumptions and aspirations behind those ambitions. Secondly, CP is substantively interested in offering a kind of creative education in tune with some of the speculations about the shift to a creative economy. Again this report shows the historical and theoretical complexities underlying this direction.

We hope that the report will be a useful and practical handbook for those interested in cultural and creative industries. It offers a serious and sophisticated review of the concept of the cultural and creative industries and should be of use to all those with ambitions to act in this arena. A key part of Creative Partnerships’ future development will be shaped by an engagement with the challenges Professor O’Connor clearly lays out here.

Dr David Parker, Creative Partnerships
Dr Julian Sefton-Green, Creative Partnerships
This account takes a sixty year trip from ‘The Culture Industry’, through the ‘cultural industries’, ending at the ‘creative industries’. Its main theme is the tension between culture and economics which lie at the heart of this terminology. This is not simply a question of ‘art’ and ‘the market’; this is part of it, but the market in ‘cultural commodities’ has a long history and ‘artists’ have long been at home with it. In the last century the production of cultural commodities has accelerated with the development of technologies of reproduction – digitalisation following in the treads of Gutenberg; and this production has become increasingly capitalised. Commodity production is not the same as capitalism; the former has an ancient history, the latter began 500 years ago in Europe. Capitalism is animated by the principle of unlimited accumulation at the expense of all other values. ‘Art’ or ‘culture’ has always been one of the limits on, or protests against, this principle. But it did so whilst at the same time being a commodity increasingly subject to the laws of capital.

Section one begins with Adorno who thought that these laws of industrial capitalism had finally abolished any kind of critical or authentic culture. In section two we look at those writers in the 1970s who felt that the cultural appeal of cultural commodities was central to their economic success and thus could not be rigidly planned or predicted. People wanted to buy things that genuinely appealed to them. This new attitude to the cultural industries produced a new kind of cultural policy, exemplified by the Greater London Council.

In section three we chart the emergence of new economic discourses which argued for the end of mass production and a rise in cultural consumption. This new production foregrounded small businesses, networks, risk-taking, creativity and constant innovation in a way that set the cultural industries as exemplars for a new kind of economy and central to our future economic growth.

In section four we look at how this was reflected in new thinking about cities and urban economies. Parallel to the rise of cultural industries was the growing importance of culture for city image and place making, cultural tourism and urban regeneration. They form part of the talk of creative cities and creative class which are with us today.

In section five we look at the creative industries, as launched by the New Labour government in 1998, suggesting some problems with the terminology itself and the policy agenda to which it gave rise. At the end we put forward some thoughts on the connections and contradictions between cultural and economic policy.
1 The culture industry as kulturkritik

1.1 Adorno, modern culture and modernist aesthetics

Discussions of the cultural industries usually start from Theodor Adorno, who, with his colleague Max Horkheimer, first coined the term in 1947 with the essay 'The Culture Industry: Enlightenment as Mass Deception' (chapter 3 in Adorno and Horkheimer, 1979). Adorno’s subsequent writings - on film, radio, newspapers and (most notoriously) jazz and popular music – all re-affirmed the message that under monopoly capitalism art and culture had now become thoroughly absorbed by the economy (Adorno 1991).

However, Adorno is not to be equated with those conservative cultural critics of ‘mass society’ who held the combination of modern communication technologies, mass democracy and mass industrial organisation responsible for a universal cultural collapse, with the European arts tradition as a last refuge from general barbarism. Nor can he be associated with those who saw modernist art as the last great incarnation of that tradition, thus to be protected and supported against the forces of industrialised culture (cf. Greenberg, 1961). Adorno’s post-war writings on the Culture Industry ran parallel to the founding of the different national arts and cultural ministries and foundations across Europe, and indeed to the emergence of a distinct discourse of cultural policy per se.

The new Culture Industry sought the surface effects associated with both popular culture and ‘high art’ - means of attraction and seduction, of stimulating desire without reflection, providing distraction at the expense of thought. Glittering novelty masked endless repetition and endless disappointment. As such the Culture Industry was a direct extension of the new industries of mass reproduction and distribution which had begun at the turn of the 19th century – film, sound recording, mass circulation dailies, popular prints and later, radio broadcasting. But it also grew out of the art tradition on whose surface techniques it also drew but whose intrinsic meaning it abandoned (Adorno, 1981, 1992). It was in this context that avant-garde modernism began its great aesthetic renunciations, its retreat into difficult and occult formal procedures.

The Culture Industry found its full purpose when it became integrated into the new system of monopoly capitalism, which was predicated on total control of the masses. Here Adorno equates the American Culture Industry with European Fascism (Huyssen, 1986). The modern worker has been completely integrated into the industrial machine, a controlled automaton he now has his leisure time and his interiority programmed and controlled by modern industrial techniques. The Fordist factory system now moved into the realm of culture used as a powerful ideological tool. The techniques of the
Culture Industry – the use of predictable effects, the controlled manipulation of audience response, and the endlessly deferred gratification of stimulated desire – which had been developed under the pressure of commodification, were now used by monopoly capitalism itself. The Culture Industry moguls were servants of the latter – they were answerable to oil, steel and electricity. Like Goebbels’ subservience to Hitler, the Culture Industry was ultimately a tool of the ruling class and the State.

As we shall see there are some real problems with this position, but before this let us look at certain aspects of this argument and try to put Adorno’s concerns into some historical perspective.

1.2 Cultural commodities
1.2.1 Technological reproduction

The ‘industrialisation’ of culture is often associated with modern technological reproducibility, but in fact the cultural commodity has an ancient history. Walter Benjamin, a colleague of Adorno, talked about the ‘aura’ of the art object (and its erosion in contemporary culture) suggesting its origins in cultic and ritual practices (Benjamin, 1970). These unique ‘artistic’ products always had great sacred, symbolic and/or prestige value; but they could also be given or traded for other objects or services or money. Technological reproduction extended this commodity market in quite ancient times. Metal casting was an early form of mass reproduction (including minting coins), and productivity gains through efficient division of labour could be found in classical Chinese porcelain production. But it was with the invention of printing that technological reproducibility became linked to profound changes in the dynamics of cultural production and consumption.

Mass reproduction allows the initial investment in materials, skills and time to be recouped by volume sales of the copies - the cheaper the copy the more the potential profit. With each new technological improvement of the printing press the time and effort involved in reproduction fell (Briggs and Burke, 2005). Along with moveable type came improvements in wood block printing and then etching, producing a new market in prints. With photography, copies of artworks improved still further, and gradually images of the real world became art objects in their own right. The early 20th century saw the capture of moving images and the elusive world of sound on wax discs. At the end of that century, digital technology opened up possibilities which we are still only beginning to grasp.
1.2.2 Commodity production
Technological reproduction is necessary but not sufficient to explain the expansion of cultural commodity production. In Capital Marx traces the complex historical process by which a fairly limited sphere of commodity production (common to all but the most primitive societies) becomes the dominant form of economic production, and by which the whole economic and social structure becomes reconfigured around the need of capital to produce, distribute and sell commodities at a profit (Marx, 1976).

In Europe for example, printing arrived in parallel with an emergent market economy controlled by an increasingly powerful urban merchant class, part of a wider political context of a fragmented or ‘granular’ power structure where no single State was able to completely impose its authority, either across the region or within its own boundaries. Books had been sacred, copied by hand, singular objects of great value. The printing press changed all this – but how was the production and distribution of these multiple copies to be organised? Who paid who, and for what exactly? How did Gutenberg recoup his money? On what basis was the writer to be paid? What was ‘intellectual property’ (IP) – a god-given right possessed by all authors or something bought for a fee by a publisher to do with as he wished? These were difficult legal questions, at a time when ‘property’ itself was hardly well defined. But it reflected a wider uncertainty about what such commodities actually were. Did value reflect the paper and the ink and the time taken to make and set the presses, or the creative work of the author? If it was the former, then what about bad books; if the latter, then how exactly was this to be measured? In the meantime a cultural commodity economy began to grow by trial and error, wrapped up in different customs, legalities and practices. Publishers, authors, and booksellers emerged who knew how to play the system (though of course there were many that didn’t!).

1.2.3 Media and communication
The emergence of an extended commodity economy involved profound cultural transformations, as the fundamental structures of personal and collective meaning were overturned. Crucially, the very symbolic means by which these conflicting meanings were circulated, contested and extrapolated within this changing society were themselves becoming commodities. Again, this was by no means a straightforward or uncontested process – indeed, it is the main subject of this review.
The invention of printing is not primarily seen as epoch-making because it gave rise to the cultural commodity but because it radically transformed the sphere of media or communications. It replaced the age-old domination of the (mostly religious) visual image by the printed word. The circulation of the sacred text was restricted by its limited number and the illiteracy of the population (why learn when there was nothing to read?). The mass reproduction of books was a direct challenge to established religious and political authority. The vernacular bible followed by a whole series of scientific and humanistic tracts took knowledge and information outside of the carefully regulated sphere of State and religious authority. The mass reproduction of books was associated with the emergence of new radical political and religious movements, and ultimately with the emergence of the modern democratic state.

Important for us is that though the State and religious authority constantly strove to regulate it, the new print media were organised mainly around the market and a new range of private and civic institutions which grew up with it – newspapers, political and religious groups (and their presses), scientific and humanistic societies, salons and coffee houses etc. In short, the print media became the basis of a new ‘public sphere’ between the State and individual, and made up of a range of institutions under the control of ‘public opinion’. It was this public sphere – classically outlined by Habermas (1989), a pupil of Adorno – which formed the basis for the contestation and legitimation of political and socio-economic power over the last 250 years.

Adorno’s Culture Industry was thus not primarily about the commodification of culture; it was about the organisation of cultural commodity production on a mass industrial scale. As such the complex play between art as commodity and as autonomous form collapsed as the independent artist gave way to the culture factory.

1.3 The autonomy of art
1.3.1 Aesthetics
The idea of the autonomy of art - couched in terms of its separateness from the material, instrumental concerns of everyday life – is frequently attributed to the German writer, Alexander Baumgarten in the mid-18th century, and especially the great theorist of the new aesthetics, Immanuel Kant. In short, they attempted to ground judgements of ‘taste’ – previously associated with purely personal, subjective preference – on a general theory of perception in which ‘the beautiful’ became a central, objective category. Judgement as to what was beautiful rested not therefore on
individual taste but on an objective viewpoint from which all particular interests and desires had been purged. Aesthetics concerned precisely these universal, ‘disinterested’ judgements of taste and beauty. It has been fairly straightforward for critics to expose this ‘universal’ judgement as merely the taste of a particular class (the new bourgeoisie), and ‘disinterested’ judgements the precise mechanism through which this was achieved (Bourdieu, 1986; Carey, 2005). As such, the ‘autonomy’ of art, its separateness from the everyday realm of utility and necessity, has been closely linked to the aesthetic ideology of the bourgeoisie (cf. Eagleton, 1990).

1.3.2 Separation of cultural production and consumption

At the same time, the moment of composition and the moment of consumption became separated in time and space, and both acts themselves dispersed across different social times and spaces. Thus one aspect of this ‘autonomy’ was that artists (and this category gained common currency across the 18th century) found direct communication with an audience or a public increasingly opaque. This was the social context in which artists uncovered a space in which to develop the intrinsic possibilities of their material to an extent that marked European art off from that of other great contemporary cultures. It introduced a concern with formal innovation into the work of even the most ‘conservative’ of artists - Bach and Mozart or Watteau and Gainsborough. Each looked to the development of these formal possibilities in ways that could and did disrupt communication from time to time. In Beethoven, Delacroix, Courbet or Flaubert this impulse became more pronounced, reaching an explicit ideology in avant-garde modernism. Here is the space of social critique that Adorno invoked.

This brings us back to the question of commodification. From the 18th century onwards (though some time before that in literature) the main mediator between artist and public was the market; and it was a market which extended beyond the local, beyond the national, onto a European and ‘global’ stage. From this point the work of art increasingly became a commodity which could generate unprecedented wealth at the top end. This is something artists both resisted and exploited; on the one hand it reduced something with intrinsic, indeed sacred, value to an exchange value; but on the other, it freed the artist from direct dependence on a patron, giving them the social and financial space (and incentive) to pursue their artistic development (cf. Williams, 1981).
1.3.3 Art, utility and the market

The supposed 19th century opposition between pure art and the sordid world of commerce and industry is a cliché that animates much talk about contemporary arts and cultural industries policy. This opposition is much more ambiguous when examined in historical detail. As cultural consumption began to extend from relatively small circles to those new social groups involved in the mercantilist expansion of economies and empires (Bayly, 2004), thick layers of chintz hid the commercial basis of art markets; but its reality was a fact of life for any aspiring artist, musician or writer. By the middle of the 19th century, with industrialisation in full spate, this growing cultural commodification, as Adorno indicates, provoked a resistance in the form of a range of artistic and (to use an anachronistic term) ‘lifestyle’ strategies. The former would include ‘arts for arts sake’, a radical engagement with left wing politics, or a more ambiguous stroll through the dark side of modernity; the latter might produce the aesthete, the ‘man of the people’, the bohemian or the flaneur.

But the art-market nexus is much more complex than the art-utility separation allows. The account of Pierre Bourdieu (1996) portrays a complex structure of state and party political organisations, educational institutions and academies, private publishing houses and galleries, philanthropists, subscribers, the press, salons, journals, bohemian cafes, theatres, and concert halls – the whole panoply of that ‘public sphere’ across which artistic value was created and realised. The production of cultural commodities was not simply organised around volume sales (‘the market’) but on a complex and volatile validation through the intricate play of fine art academies, journals and opposing salons.

1.3.4 Cultural policy against the market

Adorno’s notion of the Culture Industry went in parallel with an emergent post-war cultural policy discourse which attempted to intervene against the market in order to secure culture from the miasma of commerciality. This was not simply a case of what we now call ‘market failure’, where the State steps in to do what the market cannot; it was a positive intervention to reduce or regulate the role of the market in that public sphere through which cultural valuation and validation took place. In doing so it reduced the ‘institutional field’ across which culture circulated to an opposition of ‘market’ and ‘cultural’ value - cultural policy springing to the defence of the latter in the face of the former. The ways in which, for example, the Arts Council of Great Britain drew lines between what should and should not be funded based around the extent of commercialisation present is well documented (Hewison, 1997; Lewis, 1991). This should not be interpreted simply as the acquisition by elite taste groups of the public funding mechanism (though it certainly was this) but also of a wider renegotiation of the relationship between the State and culture.
The roots of this are deep, going back to early modernity. But the ‘civilising process’ of the 19th century is increasingly linked to the legitimation of the Nation-State in mass democracy – the invention of tradition, the promotion of national heritage sites, archives, museums and a musical and literary canon (Hobsbawn and Ranger, 1983; Anderson, 1983). But there is also a strong social-democratic element to be found emerging in the 1920s and 1930s (expressed in more forthright terms in the Soviet Union) and emerging with great vigour after 1945, when the masses were to be given access to their birthright, and the inherited culture of the nation and humanity, which as a whole had been previously restricted by a lack of education and leisure, as well as by the private property rights of the rich and the disgraced (in mainland Europe at least) aristocracy. The nationalisation of culture thus entailed an element of democratic collectivisation.

1.4 The masses and industrial culture
As we noted above, the roots of post-war cultural policy are long, going back to strong traditions of the transformative power of the arts, while also having a more prosaic role in the civilisation of the masses. Accompanying the building of galleries and museums in London, Leeds and Manchester, in Marseilles and Lille, in Boston and St Louis and in cities across the face of the industrialising world were grandiose claims about the historical mission of these new urban civilisations - the New Athens, the New Florence etc. (Hunt, 2004). Along with these came the more pragmatic claim that only in this way could the dangerous classes be brought out of ignorance and anarchy. The other side, of course, was a fear of the dilution of this culture as it was spread across a semi-literate mass. This was a classic ambiguity played out across a range of optimistic and pessimistic approaches to the forthcoming ‘rise of the masses’.

The turn of the twentieth century saw mass education along with growing spending power and disposable leisure time combine with a range of technological and business innovations to produce a new wave of cultural production and consumption. As Adorno notes this growing commercialisation affected not just ‘middle brow’ or working class culture; much of this new consumption took its model precisely from high art. Film looked to theatre (and the piano players to the Great Masters), popular music to opera and the symphony concert, ‘pulp’ writing to the great literary stylists, photography to fine art and so on (Frith, 1998). But equally, ‘high art’ also was drawn into the new dynamics of commercial culture. For example, the recorded music industry transformed the field of classical music (indeed helped coin the term). It made stars out of Caruso, Chaliapin, Toscanini and composers such as Stravinsky. It restructured
orchestral playing and singing styles; and opened up new possibilities of home and private listening (Eisenberg, 2005). Similar arguments could be made about cinema and the theatre (including opera and ballet).

More conservative critics such as T. S. Eliot or D.H. Lawrence saw the masses as impervious, even antithetical to culture – and John Carey (1992) has traced such views. Others were more concerned about the impact of new forms of culture on traditional left wing culture. Edmund Wilson’s ending in 1940 of his To the Finland Station (2004) pointed the way, where baseball and football took over from left wing politics, introducing the theme of mass apolitical consumerism which was to follow in the 1950s. J.B. Priestly (1934) wrote about the cinema’s impact on the popular imagination, eroding local cultures, and providing them with dreams with little to do with their real lives. He saw soullessness at the Nottingham Goose Fair, where the mechanical rides exhilarated but somehow emptied the old communal experience of the fair. The impact of ‘American’ commercial culture on both the indigenous ‘folk traditions’ and – especially in the UK – on older working class communities is a theme that persisted into the tradition of Richard Hoggart (1957) and others, forming the basis of an engagement with these themes through ‘British Cultural Studies’.
2 Cultural industries: political economy and cultural politics

2.1 New critiques of culture
Adorno’s account of the Culture Industry resonated with post-war anxieties about mass, industrial or ‘Americanised’ culture, and the debates around a cultural policy concerned to protect a European cultural tradition against these threats. Adorno’s crucial contribution of a theory of modernist aesthetics and politics, emphasising the connection between art and society at the level of formal logics and contradictions, made its way along very different intellectual pathways.

The rebellions of the ‘counter-culture’ and May ‘68 involved a challenge to established cultural hierarchies. This challenge saw a rediscovery of the modernist and avant-garde debates of the interwar period and their concern with politics and form. These radical formal questions had been outlawed by Nazi and then Soviet ‘realist’ aesthetics. But so too was post-war democratic cultural policy (where universal access would ensure a common participation in a national, and sometimes European, heritage) increasingly challenged by the discovery of a strong radical intent embodied in much of that modernist/ avant-garde tradition consigned to the outer rooms of the great European cultural narrative. More generally the Left, faced with the evident success of capitalism, were drawn to cultural accounts of its persistence and of newer forms of opposition to it. In this context Adorno’s Culture Industry, as cultural collapse or as total system, was subjected to increased scrutiny. On the one hand the Culture Industry had grown enormously in scope and visibility since his first writing, but on the other, it was clear that his account of it was simply not adequate.

In the UK we can find two distinct bodies of work in which Adorno’s account was interrogated: British Cultural Studies and the political economy school.

2.2 British cultural studies
There is extensive literature on this but we can identify three aspects or phases which are useful for our theme. First were those community studies of working class life and traditions which attempted to assert their cultural validity in the face of the more dominant, ‘official’ culture (e.g. Hoggart, 1957). This went hand in hand with Raymond Williams’ work on this official culture, trying to both historicise the notion of art and culture, and to give it a more sociological (and ‘progressive’) grounding than those official (and conservative) accounts of culture established by writers such as T.S. Eliot and F.R. Leavis before the Second World War (Williams, 1958; 1961).

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Williams was never naive about the institutional entrenchment of dominant values and the relationship of symbolic products to these. The newer groups organised in the *Birmingham Centre for Contemporary Cultural Studies* took this further using theory brought in from Italy (Gramsci especially) and France (most notably Althusser). Taking up the challenge of Williams’ ‘culture is ordinary’ they rejected older ideas of commercial ‘mass culture’ being a threat to a working class ‘way of life’ and saw, in subcultures especially, new forms of popular culture – around music, leisure spaces, clothes, consumer objects – not as passive consumption but as active forms of symbolic resistance to the dominant social order (cf. Hall, 1976; Gilroy, 1992).

A third phase, from the late 1970s onwards, extended this examination of symbolic domination and resistance, as Thatcher’s new conservative agenda began to roll over the political, social and cultural landscape of Britain. This criticism became more pronounced as new (post)structuralist tools were brought in to help with the task of reading/de-coding popular symbolic products. On the one hand critics saw an abandonment of real economic analysis in favour of textual analysis (Garnham, 1990); on the other – and more worryingly - they felt that this emphasis brought a much more ambiguous cultural politics.

### 2.3 The political economy of culture

The political economy of culture school was fiercely opposed to the (over)emphasis on the ideological effects of cultural objects conceived exclusively as ‘texts’ rather than as commodities. In Britain the key work was done by Nicholas Garnham, who had worked with Graham Murdock, James Curran and others to develop a critical approach to political communication and broadcasting policy (Garnham, 1990; Curran and Seaton, 1991; Murdoch and Golding, 1974; 1977). In part sparked by their work, from the late 1970s, Williams also made a significant contribution, attempting to link the political economy writing with insights from cultural studies (1981).

The ‘political economy school’ grew out of a more scholarly engagement with Marx’s work, begun in the 1960s and 1970s, and in particular those questions of base and superstructure, economy and culture, capital and state which seemed to have re-emerged with new force. Previous assertions of a ‘materialist’ basis for art and culture – that they reflected interests or stages of evolution elsewhere in the economic base – were seen as far too simplistic. Garnham (1990) along with Williams (1981) argued that this ‘materialism’ tended to be both too much and not enough. Too
materialist in the sense that culture was seen to be completely reducible to the needs of ‘capital’ or the ‘ruling class’; not materialist enough in the sense that once stated there was no examination of how this culture got produced, by whom and under what conditions. The central contention of the political economy school was that under capitalism culture was increasingly produced as a commodity, and thus subject to the logic and the contradictions of this system of production.

This approach thus identified 4 areas where Adorno’s thesis seemed lacking.

### 2.3.1 Cultural use value
Against Adorno’s total system of pre-programmed cultural commodities, they argued that ‘use value’ had to satisfy some fundamental human need for meaning or enjoyment. There was a clear need for new and different products, to see these products as the work of a creative individual or team, and to feel a certain authenticity of meaning and enjoyment. There is thus an underlying tension between exchange and use value at the heart of the cultural commodity. Cultural commodities are expensive to produce but cheap to reproduce – the more copies sold the greater the return on the original investment. But there are limits on this reproduction; people are not content to consume the same, they want new and different products. For this reason cultural commodities are prone to a short shelf life, and income has to be maximised before it hits the sell-by date.

### 2.3.2 Prediction and pre-programming
The second charge was that the prediction and ‘pre-programming’ of audience response was simply not possible. Indeed, as many writers stressed, it was often hard to know if a product would sell at all! Peterson’s (1990) account of the emergence of Rock ‘n’ roll could stand as a classic example here, but a whole list of examples from books, films, music and broadcasting illustrated the volatility and unpredictability of demand for cultural products. Taken together, the need for new and appealing product coupled with the unpredictability of demand meant that the Culture Industry was faced with a difficult business model – though whether this is a difficult business problematic (Caves, 2000) or a fundamental contradiction (Ryan, 1992) is a matter of debate.
2.3.3 Multiple culture industries

The third charge against Adorno was that his totalising concept of the Culture Industry failed to register the distinctions between the different kinds of cultural commodities that were derived from the mechanism whereby exchange value was collected. Miege (1979; 1987; 1989) was most systematic in his taxonomies. In general there were three different models of realising exchange value. First, physical objects carrying cultural content were sold as commodities to individuals – books, records, videos etc. Second, television and radio broadcasting were (apart from what was then a limited subscription audience) available free to consumers and made money out of advertising and sponsorship. Here there were strong interventions by the State, often taking it completely out of private ownership and providing it as a public service financed by taxation. In most States some mix of public service and commercial stations was in place. Newspapers and magazines occupied an intermediary position, where individual copies were paid for but advertising brought in the bulk of the revenue. Thirdly, those forms associated with public performance – music, theatre, and especially cinema - depended on restricted viewing and charging an admission fee. As such the concept of the Culture Industry gave way to that of the cultural industries, each sub-sector with different ways of realising exchange value, different ways of managing demand and creative labour, and different levels of capital investment and corporate control.

2.3.4 The independent artist

The fourth area of critique was the status of creative labour in the cultural industries. Given the centrality of the radically free creative genius to the western art tradition since the 18th century, the absorption of the artist into the Culture Industry was, as we have seen, a key index of cultural catastrophe. Though Adorno predicted this total absorption he recognised that many areas of the Culture Industry still operated on an artisan basis, with the creators remaining ‘free’ - if only to starve. The political economy school argued that this ‘artisan’ basis not only persisted but did not look like disappearing. There were a number of reasons for this.

Williams (1981) attempted to give an historical account of the status of the cultural producer as they moved out of patronage into the production for market. We moved from direct artisanal production for the market to a post-artisanal phase in which at first, cultural products were distributed by a market intermediary. Gradually this market intermediary became more productive, investing in the purchase of work for the purpose of profit – and thus it is the
intermediary rather than the artists who had direct relations with the market. In the 19th century a more complex process saw the artist working as market professional, becoming much more directly involved in the marketing process, and, through copyright and royalties, gaining a direct share in the profits. The next stage was the corporate professional, where large cultural producers directly employed fulltime salaried workers. Williams saw this at its most extensive in the ‘new media’ sector – cinema, radio, and television – where high levels of capitalisation and technology are involved.

2.4 From culture industry to cultural industries policy

Hesmondhalgh (2002; 2007a; 2007b) underlines the importance of the change in terminology from ‘culture industry’ to ‘cultural industries’. It involved a conceptual shift that by the early 1980s had given rise to a more empirically based understanding of the complex structure and variable dynamics at work in the production of culture. It allowed an understanding of the connections between technologies of production and distribution, changing business models, the emergent connections between symbolic and informational goods, and between culture and communications systems. It made more clear the connections and contradictions between the production and circulation of culture and the wider ideological needs of the State; and it focused attention on the ambiguous status of creative labour within the whole system. But it was not just a research agenda or critique - it opened up Adorno’s total system to the possibility of a new kind of cultural politics.

Given the above, it was clear that the cultural industries could no longer be characterised simply as the ‘other’ to authentic art; and both needed to be approached in more neutral sociological terms as the production and circulation of symbolic forms or texts. It also suggested that the cultural industries themselves could be brought within the orbit of cultural policy – but how?

In France for example, renewed US pressure for a de-regulation of (and access to new markets for) cultural trade in the late 1970s around the General Agreement on Tariffs and Trade (GATT) talks, had met with a new sense that the cultural industries needed to be protected as part of a national cultural policy. Building on the work of Miege and others, some in the French Ministry of Culture argued that as the vast majority of cultural products consumed were produced by the commercial sector these could not be simply left to fend for themselves whilst the (minority) arts absorbed all the attention (Girard, 1982).
The experiments in France and elsewhere were part of a wider re-think of cultural policy – away from the unitary notion of the Nation-State and its heritage to something more diverse and complex. But it was also about a more active and democratic involvement in cultural policy-making and cultural production (Bianchini and Parkinson, 1993). Williams (1981) had noted that technology was becoming cheaper and more generally available. Electronic sound production and mixing, cassette recorders, video recorders and cameras, photocopying, printing, photography – these were transforming the production and circulation of text, image and sound, with a massive proliferation of both commodified and non-commodified activity. These came with a revival of those debates from the 1920s about the transformative power of technology in the hands of the masses. This level of activity was increasingly counter-posed to the dead hand of corporate control. It was a sensibility that had exploded in Punk and Post-Punk, and the history of the Greater London Council’s (GLC) cultural industries strategy is unthinkable without it (Savage, 1992; Reynolds, 2005; Haslam, 2005).

The GLC’s work between 1979 and 1986 has rightly been credited with the first cultural industries strategy at a local level but it was more than this – it was a series of sketches for a contemporary democratic cultural policy. Bianchini (1987) identified the influence of Italian cultural policies – the revived Communist Parties trying to engage the younger, more urban and more radicalised cultures which had emerged out of the contestations of the 1970s. Garnham’s 1983 paper for the GLC is often taken as an account of their activity (Garnham 1990).

The crucial point made by Garnham is that art and the market are not inimical to each other – the market is a relatively efficient way of allocating resources and reflecting choice. Public policy can and should use the market as a way to distribute cultural goods and services – and to do so in a way that follows audience demand rather than the ambitions of the producers themselves. Garnham’s focus was not on local economic production strategy but on developing a democratic cultural policy based on an educated and informed audience demand to which publicly owned distribution companies and cultural producers alike could respond. It was explicitly not about that support for local cultural producers with which the GLC is most identified and which he associates with encouraging a supply for which there is no audience.

There are three key points here.

First, his emphasis on audience research, efficient marketing and responding to demand, whilst making an important point about the responsibilities of publicly funded culture, failed to take any account
of the processes of innovation, of reinvention, of counter factual imagination that come precisely from the disjunction between what the artist wants to produce and what the public wants to receive, or between the aspirations to the new and the facts of revealed preference.

Second, Garnham said access to cultural production is necessarily restricted if a ‘reserve army of the unemployed’ is to be avoided. It’s not clear just how this restriction might be effected given the growing aspirations to active cultural production which the GLC vision reflected; nor, despite the training for under-represented minorities, how long standing cultural and economic exclusions from cultural production might be addressed.

Third, Garnham’s was a very partial account of the GLC’s cultural industries strategy –hardly given the time to develop in reality. The impact on subsequent local economic and cultural strategies was however very high. It represented an attempt to break out of a cultural policy centred on the ‘arts’ – and on subsidies to artists and producing institutions as the foundation of that policy. They began to address the conditions of the commercial production of culture using economic and statistical tools (e.g. value-chains, employment mapping), focusing on how the sector as a whole worked – including those crucial ancillary and non-creative activities. As such it represented an industrial approach to cultural policy, using economic means to achieve cultural (and economic) objectives.

2.5 Cultural policy: politics and aesthetics

The increasing insertion of cultural industries into a new kind of democratic cultural policy raises some fundamental issues around economics and culture, but also culture and politics. The political economy school tended to look more to the political and ideological implications of ownership and control, of concentration and monopoly, of the fraught lines between public and private especially in the dominant broadcast media sphere. This thrust became increasingly pronounced as de-regulation strategies grew apace in the 1980s and 90s (Hesmondhalgh, 2002).

Adorno’s modernist aesthetics saw the space of social critique residing very much in the formal qualities of the work of art; but such ‘formalism’ was still rather avant-garde in the 1970s. The traditional left saw the critical function of art residing in its techniques of representation, of its generating a realist account of the world (Jameson, 1977). Though never stated directly there is a sense in the political economy school that this representational function is politically the most central and within this the word (written and spoken) is
Paramount. Cultural Studies, on the other hand, looked to different qualities residing in the specific formal and semiotic structures of the text.

This is not just a difference over modernist formalism, but over a wider sense of the role of ‘art’ in contemporary society. What was that space of autonomy whose loss Adorno saw as a catastrophe? Williams was clear that art was not a ‘sacred’ transhistorical category, but it did represent a fundamental human need (Williams, 1981). In its search for an intrinsic value as ‘art’ it represented a site of contestation with capitalism – not simply as a site of ideological and political struggle but as a symbolic assertion of an ‘authentic’ meaning as part of everyday, ordinary culture.

This forms a part with that ‘artistic’ or ‘cultural’ opposition to capitalism out of which the modernist tradition grew (and which is central to Adorno and other exemplars of ‘western Marxism’). The rediscovery of this tradition by the post-1968 counter-culture brought with it a new articulation of anti-capitalist critique around alienation, restriction of freedom, and the need for authenticity (Boltanski and Chiapello, 2005) – all given powerful voice by the bohemian and artistic tradition.
3 From cultural to creative industries

The abolition of the GLC in 1986 took place against the backdrop of the removal by the Conservative Government of a number of internal political oppositions, not least the National Union of Mineworkers whose strike collapsed in March 1985. The cultural industries policy agenda did not disappear but moved beyond London to a number of the other metropolitan authorities and residual bodies which had been abolished in the same process. These bodies lacked the profile, ambition and resources (political, financial and intellectual) of the GLC initiative, which contributed in part to the increased emphasis on the specific economic dimensions of the cultural industries agenda.

3.1 From cultural to local economic policy

In many ways this shift had a pragmatic basis and its elaboration into a workable body of policy knowledge happened outside academia, outside national government circles, and usually on the periphery of local government where economic development agencies, struggling to come to terms with an expanded agenda and reduced resources, intersected with the arts funding agencies. Thatcher’s struggle against the (mainly Labour) local authorities in the 1980s saw a massive restriction in their powers of planning and local taxation. At the same time they were being asked to deliver an economic development agenda based on the belief that manufacturing was finished and that the only room for manoeuvre was to provide a business friendly environment and relevant local skills. Economic development departments were fairly new to British local government and they struggled to develop an agenda that would work with national government imperatives and a more local Labour Party political base. After the national elections of 1987 the large metropolitan areas transformed their vision for the future around making this agenda work for their cities. But local economic development became not just a necessity but also a site in which a new urban vision was forged; for some this was a betrayal of an older politics, for others it was an attempt to seize the initiative in a changing world. In the process ‘culture’, previously seen as a marginal and mainly decorative or prestige expenditure, began to move much closer to the centre of policy making as a potential economic resource.

The arts sector began to develop arguments about managerial efficiency and economic benefits in terms of employment, tourism and image enhancement. John Myerscough (1988) developed a model for measuring the impact of spending on the arts; not just direct spending on employment (how many jobs per pound ‘invested’, as the new terminology had it) but attendance at arts events that generated spending in cafes, restaurants and other local
amenities. Myerscough was able to use a ‘multiplier effect’ which gave a figure for the additional employment and local spend generated by public investment in the arts.

Myerscough’s work foregrounded the local economic impact of the arts. Local authorities in fact spent significant amounts of money on the arts, and they too were keen to assert the economic benefits of this spend. But given the difficult economic circumstances facing the old industrial towns and cities this spend was now linked with an agenda of developing new visitor attractions. Visitors would spend locally and these new facilities would also have an image enhancement effect: they would announce a new forward looking image of the city to the wider world. In addition, the development of new cultural facilities was – following an emergent US model – increasingly linked to other leisure, retail and office developments. After museums came the cultural quarters and with that, a discourse of culture-led urban renaissance still with us (Bianchini and Parkinson, 1993; Bell and Jayne, 2004; Evans and Foord, 2005).

These kinds of arguments were in the main developed between the local arts funding agencies and local economic development agencies through the intermediation of cultural consultants. In this period ‘arts and cultural policies’ became much more about the management of the cultural sector as a complex whole, and its integration with the general strategic vision of the City; it demanded new analytical tools and knowledge from outside traditional arts policy making. A new kind of professional was needed to elaborate this knowledge within local policy fields. This was not available within academia; it was elaborated at the level of a small community of cultural consultants, the most well known of which, Comedia, came directly out of the GLC experience. It was from within this emergent field also that New Labour’s creative industries policies began to take shape. Often portrayed as purely opportunist, or indeed philistine (‘the value of nothing’ etc.) this generation of cultural policy vision in fact responded to some far reaching transformations in the economic and cultural landscape which we need to understand.

3.2 From market to markets
The GLC’s ‘alternative economic strategy’ resonated with a wider European left wing concern to assert a distinctly new agenda in the face of both the failures of Soviet-style top down planning, and the neo-liberal vision of the de-regulation of capital and labour markets at national and international levels. New left thinking was focused on public economic and urban interventions which reflected the general distrust of large scale top-down planning and new kinds of personal and political aspirations.
In this process the market itself was subjected to re-evaluation. The analytical tools used to understand value chains in the cultural industries and where intervention might be most effective had involved a new engagement with the market mechanism. This was less driven by Garnham’s overall analysis than by other activists from within community arts and politics. Charles Landry, a founder of Comedia, led a team of distinguished writers in *What a Way to Run a Railroad* (Landry *et al*, 1985). This was a harsh critique of the way in which ‘alternative’ community businesses were run. What was often dressed up as romantic bohemian idealism was in fact incompetence. There was no reason, they argued, that arts and community businesses should not be run professionally and with an understanding of the market.

### 3.3 Fordism, post-fordism and the ‘spatial turn’

In the later 1980s political economists and economic geographers began to talk of a shift from mass production to ‘flexible specialisation’ and ‘Post-fordism’ (Lash and Urry, 1987; 1994; Scott, 1988; Harvey, 1989; Lipietz, 1992; Amin, 1994). This was an argument about the increasing fragmentation and volatility of consumer markets. Predictable patterns of mass consumption had given way to smaller niche markets and the proliferation of goods and services which had a higher ‘symbolic’ content and could appeal to new ways of constructing social identity away from the ‘mainstream’. Responses to these new consumer markets demanded faster and more detailed flows of information back to the producer and an ability to respond to quickly changing demand through a more flexible production process.

A crucial outcome of this in the developed Western countries was the growth of small and medium sized enterprises (SMEs). This was accompanied by a focus on regions with strong SME networks. Like markets these networks were place specific and grew out of established social and cultural traditions (Granovetter, 1973; 1983; 1985; Markusen, 1996). In opposition to the abstracting categories of modernist economic geography, the late 1980s saw an increased emphasis on social space as a crucial factor in economic understanding - an emphasis which ran in close parallel to the ‘cultural turn’ in this and indeed many other social scientific disciplines (Soja, 1989; Crang, 1997). In terms of an emerging cultural industries policy field we can see three consequences of this approach.

First, the ‘spatial turn’ moved away from the unified national economic space of modernity towards more fluid and multi-layered spatial levels. This in itself reflected the increased awareness of a new dynamic, and the intensity of global (and this itself was a new kind of scale) mobility – of capital, people, knowledge and things. Manuel Castells’ hugely

Second, the emphasis on spatial proximity and local SME networks suggested that not all economic transactions are based on immediate, ‘rational’ calculations of profit and loss. ‘Clustering’ produced a range of economic benefits – pools of common knowledge and skills, flexible human resources, relations of trust and a sense of common goals - which were a shared effect of these networks themselves and acted as ‘untraded externalities’ (Porter, 1998a; 1998b; Cooke and Morgan, 1998; Gordon and McCann, 2000; Martin and Sunley, 2003; Wolff and Gertler, 2004).

Third, these ‘untraded externalities’, bonds of trust and common goals were complemented by shared local knowledge which was rooted in local social structures, institutions and cultures. Local companies participated in the production and exploitation of this knowledge which was mostly tacit – it gave competitive advantage because it could not be easily transferred or replicated outside of these local conditions (Maskell and Malmberg, 1999; Maskell, 2001; Bathelt, Malmberg and Maskell, 2004; Gertler, 2003).

3.4 The rise of small and medium sized enterprises

This new attitude to markets, a more fluid economic and social space along with recognition of locally embedded clusters and SME networks, and of the specific social, political and cultural context in which they operated had very obvious implications for the cultural industries. One element that the ‘cultural industries’ perspective shared with that of Adorno was the focus on the large corporations involved in cultural production and distribution who, if not coterminous with the whole of cultural production, certainly seemed to occupy its commanding heights. Whilst freelancers and independent businesses persisted even at the heart of the corporate sector they were an artisanal survival related to older, less capitalised cultural forms; or linked to State subsidy; or kept on as a form of (self-) exploitation through flexible contracts, a reserve army of labour keeping wages low and payment through royalties rather than for actual work done. However, it was becoming clear that freelancers and small, often micro-businesses were an extremely significant part of overall employment in the sector – and were growing fast (O’Brien and Feist, 1995; 1997; Pratt, 1997; O’Connor, 1999; Creigh-Tyte and Thomas, 2001).

The schematic outline of the local value chain – pioneered for the cultural industries by the GLC and extended throughout the UK by
Comedia and other consultancies (now joined by a few academics) – formed the basis of increasingly detailed mapping. Such mapping exercises suggested four things. First, that the different sub-sectors (music, performance, visual art, TV etc.) were highly networked at the local level and that they operated somehow as ‘clusters’. Second, these clusters were generally centred on the larger metropolitan areas, acting as the locus for urban networks and as service hubs for more dispersed sectors (such as crafts or manufacture), suggesting that the City or urbanity itself offered something crucial to the cultural industries sector. Third, that the line between commercial and subsidised sectors, between primarily economic and primarily cultural activities, or indeed between motives of ‘art’ and motives of profit was by no means clear cut at this local level.

Finally, one of the key consequences of this growth in mapping work was the creation of the cultural industries as an object of policy. In the 1970s the cultural industries had been taken into cultural policy at national level (or by agencies such as UNESCO which aimed to defend threatened national cultures). From the GLC period on, it became an essential component of all local cultural strategies, codified as such in the UK after the creation of the Department of Culture, Media and Sport (DCMS) in 1997. As a consequence, one key objective of cultural industries policies in the late 1990s was to get the sector to recognise itself precisely as a sector.

3.5 Culture and economics
The emergence of the cultural industries as a viable policy object needs to be understood against a larger backdrop of a new narrative of the breaking down of boundaries between economics and culture. For many, especially in the arts sector, this was a benign narrative of a misplaced alliance, one in which both sides could now recognise the values they had so long missed in the other. Organisations such as Arts and Business, established to try and maximise business investment in the arts sector at a time of savage public funding cuts, were not alone in making the case that these two could be natural allies not sworn enemies.

In a crucial intervention the Marxist geographer David Harvey (1989) surveyed the whole postmodern scene in the late 1980s and linked this with the discussions about post-fordism, flexible specialisation, globalisation and the collapse of the post-war socio-political settlement. A new economic and social order was emerging organised around consumer markets for symbolic goods in turn related to new forms of social distinction and identity. This was capital’s ‘cultural fix’. Harvey saw this ‘cultural fix’ working particularly at the level of the City, where spectacles, festivals, shopping
experiences and ethnic quarters had transformed the derelict industrial cities of the developed world into centres of up-market cultural consumption.

Lash and Urry (1994) stressed more the role of symbolic consumption and ‘aesthetic reflexivity’ as central to the process of identity construction. There was great (self) awareness and investment in such symbolic consumption and this had a profound effect on the organisation of production and circulation. To Castells’ flows of people, money, goods and information was added a vast range of symbolic objects – texts, images, sounds, and experiences. More crucially, it changed the position of the cultural industries vis-à-vis the rest of the economy. We saw above that the specific nature of the cultural commodity presented a number of problems for the realisation of profit; whether fundamental contradiction between use and exchange value, or a difficult business model. But the growth of symbolic consumption meant that the tensions and difficulties of producing for such a market had become central to many different businesses. As a result, the cultural industries were no longer seen as a strange remnant of an older production system but became the cutting edge, a template for the others to follow into a new economy of ‘signs and space’. (Lash, 1990; Lash and Urry, 1994).

3.6 New work cultures

For Lash and Urry (1994) the vertical disintegration of the big corporate structures to be found in the mainstream economy were accelerated within the cultural industries. It was not simply that sectors such as television, music, design, film etc. were increasingly organised around clusters of SMEs and freelancers but that notions of aesthetic reflexivity and, in this sense, a more intuitive engagement with the eddies and tugs of cultural currents, came into play as a central part of business operations. Cultural workers were no longer to be characterised as creatives crushed by the wheels of a corporate sector whose values they resisted as best they could; it was precisely these people who were in possession of the means to operate most effectively.

First, was the idea of creativity as a crucial resource for contemporary economic development and indeed, personal growth. The literature on creativity is large so I will point to what I consider to be its salient points only here (Negus and Pickering, 2004; Banaji et al, 2007). First, it relates to innovation, increasingly seen as the key to economic competitiveness. It tries to isolate the qualities that give rise to new thinking, new visions upon which innovation can build. ‘Inventiveness’ had of course been a quality long established; what creativity does is to draw on an artistic quality, something deemed to
be intuitive rather than calculative. Second, it also draws on a specifically modernist notion of this – the shock of the new, the disruptive, the counter-intuitive, the rebellious and the risk-taker. These are qualities to be found only sparingly in most traditional notions of art: skill, craftsmanship, balance, harmony, the golden mean, the middle way – all are qualities which tend to be excluded from this new use of creativity (O’Connor, 2006b). This borrowing from an artistic discourse can be traced back through the changing management literature of the 1970s and 1980s (Kelly, 1998; Du Gay, 1996; 1997; Boltanski and Chiapello, 2005; Bilton, 2007). Third, creativity has been linked to changes in the construction of social values since the 1960s – echoing the shift traced by Beck (1992) - from a sense of social duty and finding one’s place to one of uncovering the self, and of expressing the self. ‘Letting it all out’ was also a process of self-discovery and it drew on the values of the bohemian and artistic traditions associated with modernism since the 19th century (Martin, 1981; Wilson, 2000; Lloyd, 2006). By the 1990s ‘creativity’ had emerged as a prime contemporary value, and a resource to be mobilised by business (Leadbeater, 1999; Rifkin, 2000; Howkins, 2001; Tepper, 2002).

The second intersection was with the notion of the enterprising self, again a huge topic (Heelas and Morris, 1992; Heelas, 2002). This of course was a key image promoted by Thatcher’s attempt to re-introduce ‘Victorian values’ - with the ‘self-made man’, small businesses and the spirit of enterprise as its backbone. But as with many initiatives by Thatcher it was taken up by those who did not necessarily share her values. The ‘enterprising self’ chimed not just with small corner shops in Grantham but – as we have seen with respect to the re-evaluation of the market – with many who had been marked by the counter-culture’s rejection of the ‘organisation man’ and the public and private bureaucracies of the post-war period. Against this they asserted a do-it-yourself, work-for-yourself attitude that represented a powerful feeling of liberation (Boltanski and Chiapello, 2005).

The third intersection was with those accounts of the ‘culturalisation of the economy’, which stressed the centrality of culture in organisational change (Du Gay and Pryke, 2002). Responding to the challenges of the new economy meant not just abandoning the organisational structures of Fordism; it required a new organisational culture. Indeed, it was felt that without a culture change involving all the workers, a company could not flexibly compete and respond to economic changes. The cultural industries represented a classic case, where employees were expected to participate in the ethos of the company and its goals, giving rise to the new management style identified by Andrew Ross (2003) in *No Collar.*
4 Creative cities

4.1 The rediscovery of the city

We saw above how academic writing around regional clusters and embedded networks had been taken up in the emergent policy discourse around cultural industries and local economic development, suggesting close connections between the clustering of cultural industries and urbanity itself.

These connections were an intrinsic part of that ‘rediscovery’ of the City which took place in the 1980s and 1990s. The ‘network society’ was predicated on the growth of key nodal points which controlled and directed global flows (Castells, 1996). Cities were now the new economic powerhouses built on the ability to process knowledge and manipulate symbols. A literature on global or world cities followed, marking the re-emergence of the usual suspects – New York, London, Paris, Los Angeles, Hong Kong – plus a few new ones and leaving space for a range of second and third tier cities plugged into the new global infrastructure of flows (Sassen, 1991).

These different currents flowed together to generate a current of reform and transformation of city life. This certainly applies to those developing a cultural industries policy discourse; most cultural consultants were deeply concerned with ‘the art of city making’ (Landry, 2000; 2006) and involved in projects around cultural venues and quarters, street markets, alternative retail, new forms of public art and signage, urban landscaping, architectural and larger scale regeneration projects, and campaigns such as the ‘24 hour city’. This represented a coalition for urban transformation that drew on a European tradition rather than the real-estate driven model coming from the US (Bianchini and Parkinson, 1993). It stressed public space – in its widest sense – and how urban design as democratic planning and contemporary aesthetics might provide the basis for a new popular urban vision. It looked to Barcelona rather than Boston, Montpellier rather than Philadelphia. From our point of view however it needs to be emphasised that the cultural industries themselves were also part of this (very loose) urban coalition and their links to the City are not just economic but cultural – and to an extent not frequently recognised - ethical and political.

The connections between small-scale cultural producers and the City were first made in two books trying to make sense of the urban scene of the 1970s. Raban’s Soft City (1974), identified a new metropolitan middle class who had broken with the consumption patterns of established class cultures and introduced a dizzying array of styles and symbolic identifiers which suggested to the author the mystifying complexities of Mayhew’s London. But unlike Mayhew’s account of the lower depths of the 19th century poor these puzzling new patterns were to be found in the realm of consumption rather than production.

\[\text{2} \text{ London Labour and the London Poor (1851) is a work of Victorian journalism by Henry Mayhew. In the 1840s and 1850s he observed, documented and described the state of working people in London for a series of articles in a newspaper, the Morning Chronicle, that were later compiled into book form}\]
The other book, Sharon Zukin’s *Loft Living*, published in 1982 but very much concerned with events in the 1970s, took this production of urban life into a new kind of urban dynamic in which culture generated economic values recouped, in the main, by the real estate, retail and leisure industries. The story of how artists in SoHo won their battle against the developers – who wanted to knock down this old industrial area and destroy the lofts which had become home to many of New York’s leading artists – only then to lose it again as rental and property values went sky high, is well known. Zukin used Bourdieu’s (1986) notion of cultural and economic capital to great effect as she showed how artists had transformed the image, the atmosphere of SoHo to create a trendy, bohemian urban village feel which was becoming very popular.

This scenario of cultural gentrification is now fairly common, although more often intoned than actually examined. However we want to interpret these claims, two things at least are clear. First, that ‘culture’ has a direct impact on the value of urban real estate, becoming a key element of culture-led urban regeneration strategies. This impact can come from the large flagship developments – an art gallery, concert hall or museum – and from micro-activities associated with small scale cultural entrepreneurs and urban activists. Second, that the urbanity of city life is a crucial resource for all kinds of cultural activities which move between the commercial and the non-commercial, the subsidised and the entrepreneurial with great fluidity (O’Connor and Wynne, 1996; Haslam, 2005; Groth and Corijn, 2005).

4.2 A new urbanity?

The proliferation of freelancers and micro-businesses in the cultural industries across the 1980s and 1990s cannot be understood without some reference to these wider aspects. First, the ideas of breaking the 9-5, doing it for oneself, charting your own life course, of looking to express yourself, cannot be put down simply to the ‘enterprise culture’ per se. Part of it was a taking back of control of cultural production in the face of corporate control. What Williams had identified at the end of *Culture*, where technologies of reproduction seemed ever more accessible to the everyday person, happened at the same time as the ‘punk ethos’ precisely stressed the ‘do it yourself’ impulse (Savage, 1992; O’Connor and Wynne, 1996; Reynolds, 2005). Its later manifestation in ‘rave culture’ also used technologies in this way (Redhead, 1990; Collin, 1997; Reynolds, 1998). In different ways they were about contesting established culture and making the technologies of reproduction work for you. The take up of Thatcher’s ‘enterprise allowance scheme’ was famously highest amongst cultural businesses; and ‘Thatcher’s
children’ were those forced to become entrepreneurs because there were no other options. Or rather, there were other options and they chose a cultural one. The third element was about liberation, about transformation of the city, about taking control of your life through cultural expression, a value often passed over by political economists (Haslam, 1999).

The specific role of the urban milieu in the activities of the cultural industries became an increasing concern of researchers, consultants and policy makers in the later 1990s. One seminal work in this direction was Howard Becker’s *Art Worlds* (1982). In the tradition of the production of culture school, it moved away from an artist centred account of the workings of the New York art scene to include a range of intermediaries, impresarios, agents, gallery owners, lawyers, craftspeople, technicians and specialist material suppliers. Becker (and later, Diana Crane’s *The Production of Culture* (1992)) attempted the sectoral approach to localised cultural production that we saw with the GLC and later value-chain analysis. In the later 1990s economic geography (itself undergoing a ‘cultural turn’) began to link research around networks and clusters, innovative milieu and the competitive advantage of place to the specific question of the cultural industries. In so doing they were forced to grapple with the connections between the cultural qualities of place and their economic performance. Alfred Marshall’s (1890) notion of the ‘atmosphere’ of a place giving it competitive advantage, translated usually as locally embedded tacit knowledge, became linked to more explicitly cultural dimensions when transferred to the field of cultural industries. Castells and Hall (1994), writing about innovative milieus, certainly emphasised the rich institutional depth of the City – with universities, research and development institutions and companies, government agencies, availability of skills and know-how – but their focus on ‘technopoles’ and science parks did not directly fit with the milieus of cultural industries.

The work of Alan Scott, Andy Pratt and others began to push these connections. In Scott’s *The Cultural Economy of Cities* (2000) and later articles (2001; 2002; 2004; 2006) he attempts to link the economic geography literature with empirical investigation of the cultural industries. He calls this ‘cultural commodity production’ which necessarily involves high levels of human input, organised as clusters of small companies working on a project basis, where teams, partnerships and alliances dissolve and re-form constantly (cf. Bilton, 2007). They rely on dense flows of information, goods and services, and benefit from economies of scale in skills-sourcing and know-how. These local clusters involve complex divisions of labour – driven especially by new ICT developments – all of which work to tie people to places. Andy Pratt’s investigations of San Francisco and other ‘cool places’ also work within these ideas (2000; 2002; 2004a;
Indeed, researchers within human geography have begun to provide much needed empirical investigation of networking and clustering in different locations and sub-sectors of the cultural industries.

Others came at this from the perspective of the entrepreneurs themselves. Work conducted by the Manchester Institute for Popular Culture (MIPC) (Redhead, 1990; O’Connor and Wynne, 1996; 1998) presented a more positive interpretation of contemporary urbanism and the role of cultural entrepreneurs and intermediaries within it than Zukin (1995). It suggested that the line between ‘cultural’ and ‘economic’ activities in the sector was fluid, not just between the subsidised and non-subsidised ends of the spectrum but within cultural entrepreneurs and businesses. The difficult business model of the cultural industries - one whereby the economic value of any product was linked to an uncertain future cultural value, and in which such product ideas had to operate in a collaboration with a number of other freelancers or small businesses, or indeed with a few very big businesses – meant that networks helped actors manage the inherent riskiness of their business (Banks et al 2000; 2006; Raffo et al 2000; Bilton, 2007).

4.3 Networking and the innovative milieu

Networking in the cultural industries has provided a rich research vein in recent years (Crewe, 1996; Coe, 2000; 2001; Grabher, 2001; 2002; 2004; Wittel, 2001; Ettlinger, 2003; Jeffcutt, 2004; Sturgeon, 2003; Nachum and Keeble, 2003; Neff, 2004; Mossig, 2004; Kong, 2005; Lange, 2005; Johns, 2006). This reflects a much wider concern with the subject suggesting to some a complete new organisation and ‘spirit’ of capitalism itself (Boltanski and Chiapello, 2005). In particular it suggests the new forms of self-organisation of SME networks, and indeed, the replication of networked organisation within the structures of large, global companies (Amin and Cohendet, 1999; Grabher, 2001; 2004).

Grabher (2001) sees the cultural industries as organised in two sorts of networks, those within the global corporation (or group of companies) and those within localities (the ‘village’) – both are ‘heterarchies’, self-regulating systems that allow not simply learning or adaptation but future-orientated ‘adaptability’. At the corporate level, there are instituted forums of debate and communication and a general aim to break up established understandings and practices. At the local ‘village’ level it is the communal context of skills, biographies and cultural orientations, often strongly tied to a sense of place, which acts as a kind of self-regulating ecosystem, an extremely adaptive heterarchy. Grabher argues that collaboration in
projects is often about short-term relationships – in that sense networks are not necessarily about relations of personal trust – but that on dissolution they persist as latent networks ready to be re-activated. He argues further that if projects are about learning this is remembered not by the individual participants but in the networks themselves, thus embedded in place (2004).

Wittel (2001) argued that the loose social ties of the urban cultural milieu were used by freelancers and businesses as a way of gaining knowledge and contacts in a quite instrumental manner. Indeed, it represented a new form of ‘network sociality’ in which ‘catch up’ and quite rapid exchanges of information was replacing the longer established connections of a ‘narrative based’ community sociality – one that built up a common mutual understanding over some time. But other work suggests that the use (or abuse) of such personal connections takes place within certain limits set by the culture, or regulative eco-system of these local networks which work to establish trust (Kong, 2005). Equally, there are many gradations of networking and many forms of inclusion/ exclusion which act to negotiate the personal/ professional ambiguities involved. Banks (2007) wants to stress that cultural industry networks are embedded within a local ‘moral economy’ that limits the abuses of network sociality by reputation and other social sanctions.

Cultural industries then have to be understood as embedded cultural and business activities (Gibson, 2003); and they have to negotiate some rather difficult tensions of culture and economics and personal and professional life which mainstream business theory and practice have found difficult to understand.

There has certainly been increasing emphasis on that indefinable ‘atmosphere’, the buzz, the scene, the genius loci, which make up a ‘creative milieu’ (Hall, 1998; 2000). Research suggested that freelancers and micro businesses – what Leadbeater and Oakley (1999) called ‘the independents’ – often began as part of a localised ‘scene’, they were ‘active consumers’, ‘near to the street’, and this gave them an insider’s knowledge of the volatile and localised logic of cultural consumption – potentially a highly valued and essential skill (O’Connor and Wynne, 1996; Crewe and Beaverstock, 1998). As a result independent producers were able to construct a new sense of cultural identity and purpose, using the mix of cultural and commercial knowledge which this new form of cultural production necessarily involved. The term ‘habitus’ describes this mix of emotional investment and calculation, of creativity and routinisation, of making money and making meaning, of operating in a volatile, risky environment, using networks of trust and of information which has to be learned by these producers. As Leadbeater and Oakley wrote of these ‘independents’:
They thrive on easy access to local, tacit know-how – a style, a look, a sound – which is not accessible globally. Thus the cultural industries based on local know-how and skills show how cities can negotiate a new accommodation with the global market, in which cultural producers sell into much larger markets but rely on a distinctive and defensible local bias (1999:14).

Scott (2004a) also links cultural commodity production strongly to the City. Cities have those facilities, institutions, embedded knowledge and practices which are crucial to creative urban milieus; as he puts it, cities are ‘collectivities of human activity and interest that continually create streams of public goods that sustain the workings of the creative field’ (Scott, 2001:3). Cities in fact are urban ecosystems within which cultural innovation thrives; they are not a globalising juggernaut but thrive across a range of diverse production locals. Cultural production and consumption transform the city through its ‘shopping malls, restaurants and cafés, clubs, theatres, galleries, boutiques’ (ibid: 7). This ‘revitalisation of the symbolic content’ of cities draws in city governments, linking these transformations with ‘ambitious public efforts of urban rehabilitation in the attempt to enhance local prestige, increase property values and attract new investments and jobs’ (ibid: 7).

Here the cultural industry agenda is joined explicitly with that of culture-led urban regeneration. In some ways it echoes Richard Florida’s (2002) idea of the ‘creative class’, where an ‘agglomeration’ of ‘creative professions’ is deemed to be attracted first and foremost by the quality of life, tolerance or creative feel of a city. Though thick with statistics the Florida’s book is marked by an absence of any empirical investigation into what is, in fact, only very circumstantial evidence (Healy, 2002b; Peck, 2005; Montgomery, 2005; Nathan, 2005; Markusen, 2006a). But Scott, unlike Florida, is concerned with cultural production rather than consumption. Nevertheless, the close connections between culture and urban real estate have begun to cause real tensions as culture-led urban regeneration drives out spaces of cultural production.³

³ The role of art and culture in the transformation of urban real estate is the subject of a great many studies, starting from Zukin’s classic Loft Living (1982) about the art-led gentrification of New York, now quite a widely recognised phenomenon from Hoxton and Bastille, to Kreuzberg and Silicon Valley. A good account of a contemporary example can be found in Richard Lloyd’s Neo-Bohemia (2006)
5 Creative industries

5.1 New labour, new spirit

In 1997 when New Labour were elected, the Department of National Heritage became the Department of Culture, Media and Sport (DCMS). Its new head, Chris Smith - now with ministerial status (i.e. part of the Cabinet) - had long been associated with New Labour’s cultural policies, having published a book very much associated with the party’s new take on this issue (Smith, 1998). This marked a new status for cultural policy and the cultural industries in particular. The renaming of these as ‘creative industries’ and the setting up of a ‘creative industries task force’ involving many big names from the film, music, fashion and games sectors seemed part of the celebratory optimism and the political hype around ‘Cool Britannia’ that was associated with New Labour. Whilst this was certainly the case – and they were also caught up in the inevitable backlash against Blair’s supposed PR-led policy making style – there were much deeper issues at stake.

The new profile of the DCMS along with the publication of a glossy ‘mapping document’ firmly established the cultural industries as a legitimate object of policy (DCMS, 1998). Backed by some rather optimistic statistics of employment and wealth creation, a handy definition and a list of 13 sub-sectors with clear links to statistical sources, the document allowed local authorities, development agencies, arts organisations and consultancies across the UK to place cultural industry strategies at the heart of local and regional cultural and economic strategies (DCMS 2000; 2004a). After long neglect, creative industries were now also linked to national cultural and economic policy. The smallest and newest department began talking to the very large and well established Department of Trade and Industry in a way unthinkable a few years before. The cultural industries, previously ignored or lumped with ‘the Arts’, were to become central to a new contemporary image for Britain and high profile exemplars of the creativity and innovation that were to remake Britain for the 21st century. Indeed, the Creative Industries Mapping Document itself became a lead export, as governments and cities in Europe (especially the new or aspirant EC member countries), in Latin America and particularly in the Far East saw a new idea for the dynamic association of culture, economics and a new wave of modernisation (O’Connor, 2006; Kong, et al, 2006; Wang, 2004).

This was not simply a re-assertion of social justice against the hard headed economics of Thatcherism, something popular culture articulated throughout the 1980s to little political effect. During the 1990s these popular oppositional currents were articulating a new attitude to the market and to entrepreneurialism, one that could link to a contemporary sense of social justice, ‘authentic’ culture and economic viability. New Labour built on currents of oppositional popular culture articulated in the form of the emergent discourse.
around cultural industries, creativity and socially responsible entrepreneurialism (Redhead, 2004). Visions of a new economic order centred on more fluid patterns of work and career; a life course demanding more individual responsibility in exchange for autonomy, an economy based not on cut throat competition but on the more open collaborations of projects and networks, rewards for individual creativity and innovation away from the fixed hierarchies of class and corporation – these were the sort of arguments which meant New Labour and the cultural industries were natural partners. The sort of economic and cultural conjunction made in the 1980s in France happened – if in different ways and through different paths – in Britain in the 1990s.

The embarrassment of ‘Cool Britannia’, taking its place next to Michael Foot’s donkey jacket in a pantheon of political clichés, was not simply a PR stunt (and it echoed the earlier experiences of Jack Lang in the Mitterand Government in France). It represented a symbolic rapprochement with post-1960s popular culture – with its transgressions, enthusiasms, rebellions and anti-structures (Martin, 1981). It was a reconciliation with that decade, the ‘sixties’, which Thatcher had considered the root of Britain’s decline. Now, it was to be the basis of the country’s future success.

5.2 Only a name?
The most striking innovation of the new DCMS was a change of terminology - no longer cultural industries but creative industries. The shift has led to much debate around definitions, which it is common to dismiss as ‘one for the academics’. In fact the terminological confusions and slippages are amongst the most important aspects of the question because they bring into play a whole range of correspondences and tensions around the issues of culture, technology and economics (Hesmondhalgh, 2007a; 2007b).

Chris Smith presented it as a purely pragmatic move in order to get some key spending plans past the Treasury, where the word ‘culture’ had to be avoided as too reminiscent of ‘the arts’, and thus not about economics at all (Cunningham, 2002; Hesmondhalgh and Pratt, 2005; Selwood, 2006). Pragmatic or not, the change of terminology was not neutral; it served to uncouple the ‘creative industries’ from ‘arts and cultural’ policy, yet hoping at the same time to recoup (some of) the benefits for those very arts and cultural policy agencies. Crucial to this political trick was the identification of the creative industries with a ‘new economy’ driven by ‘digital’ technologies and closely related to the ‘information’ or ‘knowledge’ economy. It was the exploitation of intellectual property rights (IPR)which was seen to provide the crucial link between these agendas – positioning the
creative industries at the forefront of economic competitiveness. As the DCMS definition had it, the creative industries were those ‘which have their origin in individual creativity, skill and talent and which have a potential for wealth and job creation through the generation and exploitation of intellectual property’ (DCMS, 1998:3).

This connection to the ‘information’ or ‘knowledge economy’ was at the heart of the important critique of the DCMS strategy by Garnham (2005), where he too presented the ‘creative’ shift as pragmatic - one, indeed, that scooped up ‘software’ employment to make the statistics look even more impressive to the Treasury. Garnham pointed to the over-inflated claims for this new economy (something the ‘dot-com’ boom underlined) and this was a common line of criticism (cf. Pratt 2005). In particular he argued that the knowledge or information involved in science and R&D, business-to-business services and creative industries were very different from each other. This point was also made by Healy (2002b). He targeted John Howkin’s (2001) notion of the ‘creative economy’, which included all those activities covered by intellectual property in some form – design, trademark, copyright and patents. Healy suggested this lumps together a whole range of activities and businesses which, underneath the hype, was not useful and often confusing.

Garnham, building on the central insights of the political economy school – of which many currently working in the creative industries field are simply ignorant – suggests also that the new concern with IP rights is an attempt to overcome one of the key restrictions on profitability in the cultural industries – the tendency of cultural goods to become public goods (Garnham, 2005). Strengthened IP regulations help keep cultural goods as commodities, just as new rounds of mergers and convergence allows the new media companies to keep a control over distribution. These raise important issues for smaller cultural producers, and for the public sphere as a whole. They certainly underpin a lot of the debates around the BBC – one of Britain’s undoubted world class cultural companies – which until recently tended to be debated in a separate sphere to the creative industries.

I suggested above, that the GLC’s policy had emphasised not the individual artist but the ‘sector’- the value-chain, the range of creative and ancillary functions and inputs that make the production of culture possible. The DCMS definition used ‘creative’ as a quality that could be exploited by individuals as individuals – or at least those possessed of ‘individual creativity, skill and talent’. The industrial sector disappeared into a host of entreprenuerial creatives generating intellectual property rights.

The immediate problem was that the DCMS definition simply did not describe the complex structure of the creative industries sector nor
the employment and remuneration arrangements of the majority of those within it. The definition thus encouraged a deeper delusion, that policies to support and encourage such creative entrepreneurialism would suffice as an industrial strategy. It became a small business strategy which, whatever the merits of its particular implementations, found it difficult to address structural sectoral questions - value-chains, missing skills and professions, access to space and technology, development of and entry into new markets, linkage to the manufacturing/ materials sectors – and more seriously, to do anything about it when it did identify problems (Pratt, 2005). In part this was related to the lack of sectoral or sub-sectoral organisations which could act as representational industry bodies at policy level (though these are much more common now); but it also related to the lack of resources given to such an industry strategy and the absence of any real intelligence about it. The ‘Cultural Observatories’, set up as part of the new Regional Development Agencies and Regional Cultural Consortia, around 2002-3, were massively under-funded and had to service (sometimes with only one or two employees) the research and intelligence requirements of the whole cultural sector – which included ‘the arts and culture’, heritage, libraries, museums and archives, tourism, sport, entertainment and leisure.

This emphasis on a universal quality of creativity had two further consequences. First, it suggested that with a bit of intelligence and will power any city, town or rural area could look to develop the creative industries as part of its economic regeneration; as a universal attribute it was available to all. Yet all the statistics clearly indicate that the creative industries are concentrated in one very big (London) and a few smaller metropolitan centres (Oakley, 2004; 2007). Second, if using the word ‘creative’ allows the cultural industries to link with the wider innovation and competitiveness agenda, it also brought with it that distinct charge of artistic ‘flair’ strongly associated with popular culture. As we have seen, this was essential to New Labour’s command of the modernising agenda. Creativity could thus be mobilised within ‘socially excluded groups’, in particular ethnic minorities and inner urban areas subject to schemes for ‘regeneration’. Creative entrepreneurialism provided for an economic and social agenda delivered through cultural policy. Such policies ignored real contradictions between the different agendas, and it was often unclear as to which one it was supposed to be addressing (Oakley, 2006; 2007; Evans and Shaw, 2004).

5.3 The specificity of culture
The price paid for the re-branding of the creative industries was a lack of clarity as to their specificity and distinctiveness. What did they
do differently to science, or business services, or indeed the service sector generally; were they part of economic or cultural policy, and how did those two dimensions relate? Did their distinctiveness consist in them having a unique and perhaps difficult business model, or were their inputs and outputs something that went beyond economic measurement and indicators?

The problem was that it was hard to distinguish between what was considered ‘creative’ in this sector and in others, such as science, without some reference to a specific ‘cultural’ even artistic dimension; but this always tended to undermine its hard edged economic credentials. Although nodding to the far flung reaches of the creative economy, the DCMS definition (1998) – unlike Howkins’ (2001) – results in a fairly conventional list. It includes ‘the arts’, and the classic cultural industries sector – adding design, fashion and, more controversially, ‘software’ to these. It set these firmly within a robust economic agenda with few guidelines as to how exactly this was to be differentiated from more traditional cultural policy.

This ambiguous situation provoked some criticism. The first, and most vocal, concerned the status of ‘the arts’. In part a continuation of the complaints about bureaucracy, targets, managerialism and general ‘philistinism’ that began under the Conservatives, it ran into the new ‘impacts’ agenda set by the DCMS – for social inclusion, urban regeneration and economic growth (Reeves, 2002; Selwood, 1999, 2002; 2004). Increased funding for the DCMS involved the delivery of wider social and economic objectives; and many cultural institutions and individual artists resented the consequent bureaucracy. But as pragmatic as this may have been it also reflected an existing commitment by publicly funded cultural institutions to the efficient use of resources and the effective engagement with the needs and desires of their publics.

Part of the debate concerned the techniques and politics of measurement itself. Selwood (2002; 2004) argued that measurement tends to be ad hoc and incoherent, possessing little scientific status. On the other hand, even if done correctly ‘evidence based policy’ is more about politics than evidence – the latter often simply ignored. But the problem might lie with the notion of ‘evidence based policy’ itself. Rather than search for indisputable objective impacts ultimately the question would need addressing at the level of political values (Oakley, 2006; Oakley et al, 2006). Tessa Jowell’s intervention as Secretary of State at the DCMS suggested as much (Jowell, 2004). She did not resist measurement or wider social and economic effects per se but tried to identify a distinct and relatively autonomous sphere of activity for ‘culture’. This concern to identify a distinct role for culture continued in the growing use of the concept of ‘public value’, which suggested that the different values associated with
culture could be justified as public values in themselves without external ‘impacts’, and put forward a public policy framework within which these could be legitimised (Holden 2004; Keaney, 2006).

The concern with ‘art’, though descending into political point scoring, did point to its residual value as something beyond the purely instrumental, a value that remains fundamental within popular culture also (O’Connor, 2006). Despite the talk of economic and social agendas it was still the traditional arts institutions which accounted for the vast majority of national and local government spending in this sphere (Feist, 2001). Surveys continue to emphasise the consumption of arts along familiar class lines (Gayo-Cal et al, 2006).

Indeed, we might argue that the continued centrality of ‘the arts’ to government cultural policy is in contradiction to its claims for the universality of creativity.

These reservations about ‘the arts’ are extended to cultural policy as a whole by those writers at the Queensland University of Technology (QUT) who have done as much as anyone to give ‘creative industries’ a theoretical legitimacy (Cunningham, 2002; 2004; Flew, 2002; Hartley, 2005). Hartley invokes the Earl of Shaftesbury as an exemplar in this respect, using art to civilise the working classes; and this seems still to be the deep project of cultural policy in his view. For the QUT group the deregulation of state controlled media, the proliferating platforms and distribution channels (mobile phones, internet, satellite etc.), the extension of creative content application to education, health and information services, and the provision of ‘experiences’ generally – all this meant that cultural policy could no longer even dream of control.

Second (a distant echo of Garnham) these new applications and outlets indicated a market-driven responsiveness to the new citizen-consumer of the affluent society. The rise of User Generated Content (UGC), the ‘long tail’ providing extensive consumer choice, and the more active organisation of consumers through the internet has further altered the cultural landscape. The market has brought the exact opposite of cultural catastrophe, and they are much more sanguine than Garnham about the ability of consumers to circumvent the control of distribution by the big companies; as evidenced by the impact of digital downloads on the business models of the biggest global corporations.

For Pratt (Pratt 2005) ‘creative’ is far too wide a term and cannot distinguish between, for example, scientific and cultural innovation. For Hesmondhalgh (2007b) the term precisely avoids the cultural dimension, that of the production and circulation of symbolic texts, the production of social meaning. These definitional questions have consequences for policy, for in the abandonment of cultural policy
how are we to attend to the specific requirements of the sector. It might be that Pratt and Hesmondhalgh’s objections underplay the proliferation and transformation of the cultural industries which QUT has tried to articulate. Nevertheless, the positioning of creative industry policy as a sub-set of economic policy brings its own issues.

5.4 Definitions
Definitions are heuristic devices which implicate the subsequent handling of the subject, in academic or policy terms. Here I will focus on five definitions which might illuminate the underlying questions.

5.4.1 David Throsby
David Throsby, coming from a background of arts economics, gives us a concentric model of the cultural industries.

Core creative arts: Literature; Music; Performing arts; Visual arts.
Other core cultural industries: Film; Museums and libraries.
Wider cultural industries: Heritage services; Publishing; Sound recording; Television and Radio; Video and computer games
Related industries: Advertising; Architecture; Design; Fashion (Throsby, 2001; 2007)

Throsby distinguishes the cultural industries in terms of a creativity more or less synonymous with the creative arts. He ranges them in a hierarchy ranked on ‘pure’ creativity; at the centre are the ‘arts’ and on the outside more ‘applied’ creative skills. To some extent this re-instates the high/low distinction on the basis of more or less pure creativity. This purity seems to be tested by the extent of its commercial application, the arts representing intrinsic rather than instrumental value. The hierarchy also reflects the extent of public subsidy, which of course is precisely justified on the ‘market failure’ of the traditional ‘pure’ art forms. There are many ambiguities here. Why is literature a ‘core creative art’ and publishing placed in ‘wider cultural industries’; why are visual arts separate from museums, or film, or indeed fashion? Why is music core and sound recording not?

The problem here is partly statistical, these clearly being suggested as a way of counting employment. On the other hand we have a repeat of that mistake Miege (1987; 1989) identified, where artistic creation is clearly distinguished from its subsequent reproduction and commercialisation. This sort of model, which sees ‘the arts’ either as pure creativity and/or providing the raw material subsequently
‘commercialised’ by the cultural industries, fails to give an adequate account of the real processes at work in the sector, and evades some of the real tensions between creative labour and the conditions in which it is put to work.

5.4.2 David Hesmondalgh
Hesmondhalgh (2002) chooses to leave out the arts altogether, focusing on the ‘classic cultural industries’. The arts are ‘peripheral cultural industries’ because they engage in semi-industrial or non-industrial methods. Whilst this might be a pragmatic decision in terms of the focus of a book, it seems at the very least to set aside a sector with a very high prestige function, commanding huge levels of public investment (from education through urban regeneration/re-imaging to arts funding) and highly commercialised in certain areas (contemporary art exhibitions; fine art auctions; opera; popular theatre, music theatre, etc.). It also inevitably suggests a distinction based on technological reproducibility which does not necessarily stand up to close scrutiny. The profit model of restricted audience access in the performing arts also applies to cinema and to live popular music which is currently a major source of revenue for the music industry. Literature is part of publishing. The visual arts are constituted around a complex economy involving large financial sums. Similarly, we might point to the range of inputs and spillovers from artistic activity without which it is sometimes hard to conceive of a creative cluster or innovative milieu. The arts command a degree of public subsidy, but this does not circulate in a separate space but overlaps with the complex range of projects involving public and private, institutions and freelancers which make up a creative ecosystem. Dispensing with the arts cuts out much that is central to the cultural industries production system.

5.4.3 Alan Scott
Alan Scott (2004) avoids some of the problems of taxonomy by calling the sector ‘cultural commodity production’. However he wants to introduce some distinction between different kinds of cultural commodities. He draws on Lawrence and Phillips’ (2002) distinction between values directly experienced by the consumer (such as entertainment) and those meant to be experienced by others, such as jewellery and fashion. (This is a rather odd distinction and hardly sustainable – what exactly are the different components of attendance at an opera for example, enjoyment or social display?). Scott suggests that the cultural-product industries are made up of an ensemble of sectors falling into two categories. First, service outputs that focus on entertainment, edification, and information (e.g. motion
pictures, recorded music, print, media, or museums) and second, manufactured products through which consumers construct distinctive forms of individuality, self-affirmation, and social display. These distinctions, whatever their merit, are being used to identify the different dynamics at work across the sector. In essence it is their symbolic function which sets them apart and indeed unites a quite disparate sector.

5.4.4 The Work Foundation

Recently The Work Foundation (WF) (2007), working with the DCMS, has proposed a model which draws on Throsby’s concentric circle model (see also KEA 2006). Fig. 1

At the centre is a ‘creative core’, but this is not defined as ‘the arts’ but includes all forms of original product – popular culture certainly but also computer programmes. Next are the ‘cultural industries’ – the ‘classic’ list including film, TV, radio, music industries, computer games etc. – which attempt to commercialise these creative products. Finally we have the ‘creative industries’ which include original product but mix it with a certain functionality – buildings have to stand up, advertising has to sell, clothes have to be worn, design has to work. Beyond these are wider parts of the economy which use creative input – design led manufacture such as Dyson or service brands such as Virgin, selling an ‘experience’ which depends on creative inputs.

Though the WF report still uses ‘creative industries’ in its title, it is an attempt to avoid the problems of the ‘creative’ tag. First it distinguishes the ‘creative industries’ from the knowledge economy as a whole, positioning it as a sub-sector within it. Second, the report does not use ‘creative’ as the quality distinguishing the particular products of this sector – creativity as common to all acts of origination and innovation in science, business etc. – but instead uses the notion of ‘expressive value’. This value is clearly at its most undiluted at the creative core, and more mixed with functionality as we move to the periphery.

This is certainly a more coherent model than that previously presented by the DCMS, and it re-inserts the specificity of culture. Unlike Throsby’s the creative core is not exclusively the domain of the arts but includes popular culture, computer programmes and indeed the widest range of original product. The concentric circles thus do not construct a hierarchy based on pure and applied art – with the historic baggage of ‘value’ this carries – but simply range products along a continuum of expressive and functional value.
Key to this shift is the replacement of ‘creative’ by ‘expressive’ value. Why expressive rather than symbolic? Maybe the word is somewhat academic, or sounds rather ‘cultural’ when run past the hard-nosed DTI people. The WF report defines expressive value as ‘every dimension which…enlarges cultural meaning and understanding’ (96). It uses Throsby’s list of different values associated with culture – aesthetic, spiritual, social, historic, symbolic, and authentic. These are the same terms which John Holden (2004) used to define the different dimensions of the public value for culture. That is to say, these ‘expressive’ values - the basis for a range of major industrial activities - are cultural values, the same cultural values at stake in contemporary cultural policy. ‘Expressive’ has similarities to ‘creative’ in that it relates to a universal quality residing in the individual, but makes this more specific to the cultural sector. A clear connection is being established here between economic and cultural policy; this cultural policy has real economic impacts – and these impacts are identified in this as in many other reports – but promotes these cultural values as valuable and legitimate in themselves, part of contemporary public culture. To an extent this is a return to the policy connections sketched by the GLC.

Fig. 1: From page 5 of the Work Foundation report, Staying ahead: the economic performance (2007)
5.4.5 NESTA

There will never be a perfect model, but as a final example we might point to the model developed in the NESTA (2006: 55) report which attempts to organise the sector not in terms of the qualities of the products but, as with the political economy school, the conditions on which profit is made. This makes more sense of the complex inter-relations between the different fields of activity.

Fig. 2: From page 55 of the NESTA report, *Creating growth: How the UK can develop world class creative businesses* (2006)
6 Final thoughts

6.1 Culture and capitalism
This takes us back to the underlying tensions in the cultural industries. If capitalism is the principle of unlimited accumulation then culture is always going to be critical; as Williams (1981) argued, it has an intrinsic value which is distorted when used simply for profit. ‘Critical’ here is not the same as being politically opposed; nor is ‘intrinsic’ about some universal, inherent quality of art. Cultural value is about something other than accumulation of profit and thus sets a limit to it. As I argued at the beginning, culture has long been caught up in commodity production, in the market. But this does not mean that culture acquiesces to the principle of unlimited accumulation; Shakespeare was an entrepreneur certainly, but that does not mean there is no conflict between the values of culture and the values of profit.

If culture sets a certain limit on capitalism’s drive to accumulation then there are always going to be difficulties in making cultural policy in conjunction with economic policy. The conflicts are inevitable. Hence there is a certain naivety in thinking that adequate intelligence can manage a complex creative cluster. In fact this only works if a certain set of values are being shared. This is what gives the UK situation a particular colouration, as opposed to Germany, or Canada, or China.

Traditionally cultural policy has been about de-commodification, identifying certain cultural goods as having public value and thus provided for by state subsidy. The cultural industries agenda made a break with this in trying to pursue a cultural policy through industrial intervention.

6.2 Employment issues
The new forms of (self) exploitation by ‘creatives’ raise another clear tension. Research looking at the nature of creative work involves a difficult set of working conditions, long hours for little or no money, or to the de-unionised, individualised responsibility for work, pensions, unemployment and health benefits; or the unequal power relations when it comes to negotiating IP rights on which they are supposed to thrive; or the constant struggle against de-skilling, usually in the face of new technologies (Ross, 2003; McRobbie, 2002; Bilton, 2007; Banks, 2007). Some see this supposed autonomy as a trick, the myth of free labour (Garnham, 1990; McRobbie, 2002). But others point to the pleasures and satisfactions of such work, as well as a commitment to the product and the process of creation. As Mark Banks makes clear, such creative satisfactions also come with ethical considerations; the ‘moral economy’ of creative work is one which – as with other areas of work – sets some real limits to economic logics of accumulation (Banks, 2007).
6.3 Cultural policy as regulation and social control

The QUT group characterise cultural policy as a form of regulation and social control. To some extent this is true; but as Tony Bennett (1998) argues, such regulation and control is also productive, and not simply repressive, as Hartley suggests (2005). In particular cultural policy has an evolving role in the assertion of public value. This is of course wrapped up in power and social distinction; but over the course of the last 40 years cultural policy has moved beyond a concern with the arts, just as it is no longer about de-commodification. As the experience with the BBC illustrates, contemporary cultural policy concerns a complex set of issues at the intersection of culture and economics (Hesmondhalgh, 2005; 2007a). And to ignore this, or to argue for a purely economic policy as the QUT group often do is rather contradictory for both cultural and economic reasons. A cultural industries policy is about both; it is not about controlling content but about providing the space in which content that we value might still be produced - hopefully with a beneficial economic outcome. Not having an explicit cultural policy, is of course, also a cultural policy, as is quite clear in the US.

6.4 Creativity

Creativity has become a key value here, emblematic of what we aspire to, and what animates the new economy. Cultural industry policy is central to this and has thrived within it. There is in part a reservation or second thought – we are the economic future but we have values that are not entirely those of ‘business’. Sometimes this is portrayed as itself a business decision, the refusal of the easy buck a route to future credibility and prosperity. This often hides a deeper refusal, but one that it finds hard to articulate. For the wider artistic critique of capitalism has been wrong-footed. The figure of the rebel, the creative maverick, the desire for autonomy and personal satisfaction – all these now are central to what capitalism is offering.

But maybe creativity is the problem. As we suggested, the creativity mobilised in the new spirit of capitalism is one based on a particular modernist artistic tradition, of rule-breaking innovation, of the shock of the new. Maybe creativity has stripped out certain values associated with ‘artistic practice’ – innovation, inspiration, intuition, rule-breaking etc. – in a way that leaves a scarred landscape of discarded artistic practices, poisoning the well springs of the culture whence they sprung. The older traditions of the ‘golden mean’, the Chinese ‘middle way’, balance and harmony; the idea of a life spent in the acquisition of a difficult singular expertise, the artistic sacrifice of other routes, other skills, in order to master one; the gradual
abandonment of self-expression in favour of other formal languages and meanings – all these appear archaic, irrelevant to the incessant innovation drive of creativity. Richard Sennett has also written recently about the constant erosion of craft skills and other forms of long acquired embodied knowledge (Sennett, 2006). In particular we might look to the ecological challenge to accumulation, which sees constant innovation as a form of waste – to what extent is cultural innovation, at unprecedented and accelerating speed, constantly searching through past, marginal, indigenous and experimental cultures alike for the next big hit. We might also look at the new relations between the discourse of creativity and expression and those older ones of social justice which became uncoupled from each other in the 1980s and 1990s. Might not certain aspects of the unlimited right to creativity not cut against other forms of rights, of social justice?

This might demand one of those seemingly perverse refusals of the obvious and the desirable, like Schoenberg’s self-exile from the delightful garden of aesthetics, or those of the many unpopular cultures that have marked the following century, or strong currents of contemporary art (Bourriaud, 2002); a refusal of creativity and its illusions in a spirit Adorno would recognise.
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