

The Definition of ‘Cultural Industries’

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Introduction

The definition of the cultural industries has been the subject of intense debate over the last few years, especially within the framework of local, national and European policy development. This debate has been particularly frustrating. Though there is great and growing interest in this subject there are currently few real theoretical or policy models available. European conferences on this issue are the most frustrating, where arguments are primarily rhetorical and definitions made incommensurable by the most unimaginative empiricism. This situation of course reflects deeper conflicts and uncertainties with the concept, indicated by the complete absence of any policy paper from the EC on the subject. A policy framework for the cultural industries does present real organisational and administrative problems, but many of these stem from conceptual and definitional problems, reflecting profound transformations in the role of ‘culture’ in contemporary economy and society.

The necessary uncertainty around these transformations have made make the full implications of the cultural industries debate unclear; but these implications have been treated more in terms of rhetoric than conceptual analysis because policy debates are also positional struggles. This can be seen in the way in which the debate very quickly turns to the ‘value’ of culture – constantly shifting between economic, social and aesthetic understandings of ‘value’. Couching discussion around the ‘value’ or ‘benefits’ of culture has been a major theme in the world of publicly funded arts and culture since the growing threat of budgetary cuts in the 1980s (though it has always been there). Claims as to the external benefits of culture (the cultural industries adding employment to the list of such benefits) have been met by equally passionate attacks on the attempted reduction of art and culture to their functional (in this case economic) value. The specific weighting and trajectory of these debates usually reflect the different structures, priorities and constraints faced by the subsidy systems in the different national/ regional formations. However, though we do not wish to deny the need to debate the value of art/ culture, and that the rhetorical contains many real political issues, we would point to the need to step back and look at the whole issue of the cultural industries; not as ‘a good thing’ or a ‘bad thing’ but as related to some fundamental transformation of economy, society and culture which we cannot simply dismiss or attack as if it was the work of some philistine bureaucrat wanting to cut the national culture budget.

In this article I want to suggest ways in which the definitional debate around the cultural industries has to move beyond its polemical and statistical conflicts towards an understanding of the wider transformations in culture, economy and society of which it forms part. In this I will concentrate on the local and the urban context, stressing the role of small and micro businesses rather than the large national/ global corporations. At the end I suggest some pointers as to what a local cultural industry strategy might be.

Cultural Industries as Policy

The notion of the cultural industries has been very much driven by those involved in framing policy. Academic writing on the subject, with a few exceptions¹, has tended to follow Adorno and focus on the cultural and social implications of the mass consumption of cultural commodities. It has been ‘knowledge intermediaries’ outside academia working with city and other (usually arts) agencies who have promoted the notion. These ‘knowledge intermediaries’ include that elusive and very diverse group known as ‘consultants’ as well as academics working outside the standard academic field².

This is interesting in itself, and by no means a bad thing. However, it has meant that ‘definition’ for cities has often been understood in terms of its practical ability to guide planning linked to the need for statistical measurement. The numerous ‘mapping documents’ commissioned by city authorities certainly fulfil a need to back up argumentation with hard fact; but this emphasis on the statistical has tended to be closely linked to a series of claims as to the ‘external benefits’ of art and culture (financial or employment related) rather than as part of a wider attempt to grasp the full implications and dynamics of the cultural industries as a sector. Despite the attempts to establish new policy models, understanding has frequently been displaced by arguments about statistics and the economic value of arts and culture.

In the last 5 years the issue of the cultural industries has forced itself on the European agenda, signalled by the growing interest of DG V (Employment) in ‘cultural’ issues. A similar tendency can be observed at a number of European conferences organised on the subject – the debate quickly becomes one within the ‘arts’ constituency alone, with the ‘value’ of arts and culture inevitably driven towards external indicators, which in turn become statistical.

The statistical debates around the cultural industries usually concern employment levels (including ‘secondary’ impacts), labour market profile, training needs and (increasingly) contribution to national, regional and local GDP. There have been three recurrent problems. Firstly, statistics in these areas tend to be collected differently in different countries or regions, making comparison difficult and frustrating. This is true of many different subject matters – but it is particularly true here where often there is no agreement as to whether we measure ‘artists’, or ‘tourism’, or ‘heritage’, or ‘ancillary workers’ or ‘creatives’ or ‘reproduction’, ‘distribution’ etc. Secondly, employment statistics are based on outmoded industrial and occupational categories which make collection and analysis fraught with ambiguities and omissions, ‘cultural’

¹ In this I would point to the work of the ‘Lancaster school’, in particular Scott Lash and John Urry (1994) *Economies of Signs and Space*, London: Sage and Celia Lury (1993) *Cultural Rights*, London: Routledge. I would also refer to the work of MIPC; Cf. Derek Wynne (1994) *The Culture Industry*, Aldershot: Ashgate and O’Connor, J and Wynne, D. (1996) *From the Margins to the Centre*, Aldershot: Arena

² There is no work that I know of examining the role of this group in the emergence of the new cultural policy. It includes standard consultancy firms (such as KPMG, though these came late to the scene); ‘arts consultants’, usually working in the interstices between cultural administration and producers; political/ intellectuals working between policy, journalism and occasional academic writing (such as Comedia); and academics whose policy work was often deemed ‘outside’ normal academic functioning – though this has changed. Apart from MIPC I would point to the work of Sylvia Harvey in Sheffield and Franco Bianchini for Comedia.

jobs being dispersed and buried across a range of categories. How these are grouped and analysed differs in each country, compounding the first set of difficulties. Thirdly, and following from the this last, the conceptual framework within which ‘jobs’, ‘skills’ and ‘careers’ – the whole notion of ‘employment’ in fact – have been understood has undergone radical restructuring over the last decades. The way in which first and second jobs, non-paid jobs, unemployment and especially self-employment have re-structured the cultural labour market make statistical analysis useless without real detailed investigation of the sector at a qualitative level. There have been some extremely useful statistical works³, but in the main, and especially at the comparative European level, the statistical disputes around cultural sector employment figures has been the least illuminating, often the most absurd, and certainly the most tedious aspect of the debate around culture and economy.

The very term cultural industries is contentious. It should be noted that the term industry is rather loose in the British sense – it has lost its relationship to factories and manufacture (though it always retained its active association with ‘industriousness’ which was never restricted to manufacture) and can now be applied to any set of activities whose product is more or less similar. Thus there is a ‘sex industry’, a ‘care industry’, a ‘leisure industry’ etc. The use of this description is often linked to these activities becoming self conscious and ‘demanding’ certain things from government (as when prostitutes start to organise, for example). Or it can be an ironic or derogatory description by politicians or journalists of activities previously hidden and now regularly encountered (‘the begging industry’, the ‘complaints industry’).

The term ‘cultural industries’ was first used extensively in the UK, by the Greater London Council (GLC) in the 1980s, as a rhetorical or polemical device to emphasise two points. Firstly, that those cultural activities which fell outside the public funding system (the GLC sometimes equated these with mass (re)production) and operated commercially were important generators of wealth and employment. Secondly, a more directly cultural/political point – that of the whole range of cultural goods and objects which people consumed, the vast majority (TV, radio, film, music, books, adverts, concerts) had nothing at all to do with the public funding system.⁴ The GLC cultural strategy (one which was never fully developed) involved an economic, or ‘alternative economic’ line concerned both to promote and to democratise cultural production and distribution, as well as a more ‘popular democratic’ approach to the funding of (popular) cultural activities (often linked to Italian models based on ‘hegemonic’ intervention).

The cultural industries thus come with economic and cultural policy baggage. After the abolition of the GLC the ‘cultural industries’ were taken up by other cities in the UK. However, the economic and cultural political aspects tended to separate. The latter, briefly, informed a more populist orientation of cultural policy amongst left leaning labour administrations in the 1980s, which largely resulted in festivals and event promotion rather than changes in core arts funding or strategy. It has

³ In the UK I would point to the analysis of the 1991 census by Jane O’Brien and Andy Fiest; the series of analyses in *Cultural Trends*; and the work by Andy Pratt at the LSE.

⁴ Cf. Nick Garnham (1990) ‘Public Policy and the Cultural Industries’ in *Capitalism and Communication – Global Culture and the Economics of Information*, London: Sage. Also Franco Bianchini (1987) ‘GLC R.I.P. 1981-86’, *New Formations*, No.1;

increasingly found its home in tourism and city marketing strategies. The economic aspect was mostly used opportunistically by arts agencies or city cultural agencies concerned to bolster their defences against financial cuts and ideological onslaught by the conservative government. Using arguments largely derived from Myerscough⁵ they tended to accent the economic impact of the arts and cultural industries in financial and employment terms (and famously using ‘multipliers’ to estimate secondary employment effects). Only in a few areas were the wider economic implications of the cultural industries argument taken on board within an economic development context – most notably Sheffield (and Manchester and Glasgow to lesser extent).

Terminological problems also reflected the difficult negotiation between the economic and the cultural political. The GLC tended to define cultural industries as those directly concerned with technological reproduction. Myerscough and Wynne called them the ‘arts and cultural industries’. Other studies used ‘the cultural sector’, including the ‘traditional arts sector’ along with commercial cultural activities. For others these were all the ‘cultural industries’. Recently there was an attempt to expand the ‘cultural industries sector’ to include related manufacture (such as electronics), reducing ‘original production’ (including classic cultural industries such as broadcast media, music recording and film) to less than 1/6th of the total sector employment. The Department of Culture, Media and Sport which very quickly raised the flag of the cultural industries now calls them the ‘creative industries’. Nobody has been able to provide an official definition of the distinction between ‘cultural’ and ‘creative’ industries – least of all the Creative Industry Unit at the DCMS – but it seems to revert back to the GLC distinction of cultural industries as ‘artist centred’ and the creative industries as based on technological reproduction and aimed at a mass market. The political reasons for this are only to be guessed at, but a general sense of unease with ‘culture’ and a more popular (in the UK) acceptance of the word ‘creative’ points to a working through of a more directly economic and value-laden agenda. Thus the DCMS can deal with this economic element – throwing in employment, creativity, competitiveness, innovation, exports, international branding etc. – whereas the Arts Council can deal more with the issue of culture as ‘the arts’, concerned not with economics but ‘quality’. The classic social democratic conundrum of ‘raise or spread’ has now passed outside the arts establishment into a wider policy arena.

In other European countries the juxtaposition of ‘culture’ and ‘industry’ is seen as polemical (as it once was here), or as meaningless or contradictory. Cultural business or cultural enterprise is the preferred term in many European languages. However, ‘cultural industries’ has increasingly stuck, even in other countries, in the original English. This seems to be for two related reasons. Firstly, the policy space opened up by ‘the cultural industries’ is a very real space – it refers to some large scale economic and cultural transformations which need to be addressed – and the term is thus immediately compelling however we may eventually want to settle the precise definition. Secondly, the use of English indicates that this is a global policy issue, the term currently expressing an imperative wrought by this global economy. In short,

⁵ Myerscough’s extremely influential 1988 work (*The Economic Importance of the Arts in Britain*, London: Policy Studies Institute) transformed the conceptual and political thrust of such as Garnham into handy arguments for the retention of public arts funding. In many ways it held back intelligent discussion of the cultural industries for some years.

whatever the definitional and linguistic difficulties, the use of ‘cultural industries’ itself indicates that the term is currently responding to some deep-seated and far-reaching need to handle transformations which go beyond short term tactical polemics and rhetorics.

At stake here is a new relationship between culture and economy. This is not the purely celebratory – that finally economics is valuing human creativity and realising individual potential– nor is it the final subsumption of culture within the productive base of capitalism; it is partially both but it is also a different dynamic which needs to be faced. In policy terms the problem has been the language difficulties between economics and culture. Anybody who has worked in this field has had frustrating encounters with the hard, master discourse of economics – not so much a refusal of the value of culture (they are patrons of the arts) but a refusal of its value within an economic discourse. Many now struggle with the increasingly central role of cultural value within economic production. On the other hand, the realignment of culture and economics directly threatens the systems of publicly funded culture established after WWII and set within a ‘redistributive’ (access) and ‘productive’ (no more artists in the garret) social democratic framework. The re-thinking this demands has too often been hidden by a defensive reaction to the entry of new policy players within the field of culture, with the subsidised culture system charged with the defence of our authentic cultural heritage against its commercialisation and instrumentalisation.

Defining the Cultural Industries

The cultural industries are those activities which deal primarily in symbolic goods – goods whose primary economic value is derived from their cultural value. We shall look at how this definition affects the practices and dynamics of this sector in a moment. This definition then includes what have been called the ‘classical’ cultural industries – broadcast media, film, publishing, recorded music, design, architecture, new media – and the ‘traditional arts’ – visual art, crafts, theatre, music theatre, concerts and performance, literature, museums and galleries – all those activities which have been eligible for public funding as ‘art’. There are certainly divisions between these two categories – but a line between ‘art’ and ‘commerce’ is ideological and not analytical. There is no way in which the classical music world, though in receipt of enormous public subsidy, cannot be considered deeply commercial. It merely responds to commerce in a particular way. Similarly, though aiming to ‘make it’ at some point, calling struggling pop musicians ‘commercial’ is to misunderstand a lot of what they do. The distribution of funds in these two areas is different – one relies on ‘the market’, the other on a bureaucratic system of attributing value, and thus money. But the difference is not as fundamental as has been claimed. Both deal in symbolic value whose ultimate test is within a circuit of cultural value which, whether mediated by market or bureaucracy, relies on a wider sense of it as meaningful, pleasurable, beautiful etc.

Those involved in contemporary cultural production increasingly move between these systems, though for many, they receive money from neither, relying on ‘investment’ from social welfare or second jobs. The key point is that we cannot start from the notion that these are two separate sectors divided by ‘cultural value’ versus ‘commercial value’. We need to remember those two key points noted above – the

commercial sector provides wealth and employment (as do the arts), but it is also a prime site of cultural consumption for the vast majority of the population. The role of 'arts' in this configuration needs to be rethought not just 'defended' against the vulgar market. For the cultural industries have asked questions about the definition of arts and 'culture' itself. New forms of production, new understandings of 'culture', new forms of consumption and distribution have over-run the cosy separations of 'art' and (mass or 'folk/ethnic') culture set up by the European state funding systems.

The definition of cultural industries is by necessity fairly fluid – as products and activities increasingly take on aesthetic and symbolic meaning (look at gardening!) - which causes problems for quantitative studies. It may include advertising and even marketing – the question is not counting job numbers but understanding how these firms may fit within a local cultural dynamic. In some cities only a very few marketing firms could be usefully placed within the cultural sector – as actively responsive to changing and dynamic circuits of symbolic flow. In some cases a marketing or advertising firm can galvanise a section of the cultural economy. Similarly, new media obviously has cutting edge, culturally innovative sections, but separating these from general software development – from the wider information economy – can be difficult. Design too is difficult – the inclusion of industrial design really bumps up the figures but it is not clear at all how many of these are dealing with cultural meanings. That is, to what extent they deal in fitness for purpose in a functional sense, or a design awareness in an aesthetic sense (and how do we draw the line?). Similarly, there are very strong arguments for including cafes, bars, restaurants, innovative retail in this sector – but to include all such would provide inflated figures for the sector but no real understanding or local policy purchase. Indeed, the notion that we can include manufacture or related artisan/ craft skills within the sector also relies on a qualitative judgement that has to be made at a local/ regional level. Thus it seems wrong to include electronics en masse within the figures in Britain when there is no evidence whatsoever of local connection or flows of information. The photographic, film and TV industries in the UK regions will have more links to Japanese, German or US firms (maybe through national intermediaries) than they will have to any local regional industry. On the other hand, furniture in Milan, ceramics in Barcelona, glass ware in Helsinki, textiles in Lyon – all would be able to count a large scale manufacture/ artisan basis in the cultural sector because the connections, the active linkages and exchanges are there.

Cultural Industries and Consumption

In trying to explain the rise of the cultural industries it has been usual to point to the growth of leisure time, education and disposable income leading to an increased consumption of 'leisure' goods and cultural goods. This is the argument that when basic needs have been met then 'luxury' goods (of which cultural goods are part) can then be provided. (This leads onto the boredom argument – 'distracted from distraction by distraction'⁶). A more sophisticated version of this pointed to the move from the mass consumption habits of the 50s/60s to the niche markets of the 70s/80s. The growth in demand, in other words, led not just to an expansion of the market but the proliferation and fragmentation of markets. This argument has been made at a general level in terms of the consumption driven shift from Fordism to post-Fordism –

⁶ T.S. Elliot, Four Quartets

where companies had to radically restructure their operations in order to be able to detect and respond to these increasingly niched and volatile markets. Hence the operations of such as Benetton, with high levels of market knowledge and stock control, short production runs, flexible labour force etc. – coupled to a highly sophisticated marketing strategy. Indeed, as that marketing strategy showed, large areas of consumption were becoming increasingly cultural and positional. There has been a transformation of traditional taste cultures.

Pierre Bourdieu, in *Distinction*, attempted to map taste cultures directly onto class, or class fractions, with these latter representing a differential mix of economic and cultural capital.⁷ He identified a new taste group/ class fraction he called the ‘new middle class’, a new urban service class who mixed cultural and economic capital, high and ‘popular’ culture in new ways. Central to this was a new concern with the body and a more self-conscious or ‘reflexive’ approach to identity construction through consumption. Since Bourdieu’s research (published in 1984 but based on work conducted in the late 60s/early 70s) this line of argument has become central to the sociology of consumption and to market research. The role of consumption in the construction of identity has fragmented taste groups beyond any direct connection to class and class fractions, undermined the central opposition of high and low cultures, and has made the cultural field volatile and fast-moving. Material consumption has become increasingly cultural, central to the construction of meaning and identity. This ‘reflexive’ consumption has also been termed the ‘aesthetisation of everyday life’.⁸

The growth in cultural consumption meant not just increased purchase of cultural goods but new uses of these goods in the construction of individual and social identity. These new forms of consumption - fast moving, highly segmented, increasingly cultural - have placed the cultural component of many consumer goods at the forefront of their economic value. The design input of manufactured goods, as well as financial and other services, has become increasingly important. This extends beyond design industries – where traditional artisan skills and business knowledge has now to be linked to ever faster and ever more volatile circuits of cultural value – to electronics, computing, and other equipment used within the cultural valuation process.

We could also make a further point about what Bernice Martin has called the ‘expressive revolution’.⁹ What we now consider to be cultural creativity and innovation was actually a term restricted to bohemia and the avant-garde. The emphasis on ‘creativity’ these days presents itself as an adoption of an ‘artistic’ sensibility. But it could be argued that this particular account of the artist is a modernist and romantic account – concerned not with the creation of harmony or the re-interpretation of classical models but the breaking of such models and accepted order at all costs. In order to do this the artist relies on her own personality, the depths of her own genius as the material basis of this transcendence. The notion of personal expressivity, of the breaking of rules, of the explicit rejection of the established social and artistic order were central components of the 1960s counter culture. Through this they entered the mainstream. This personal creativity and responsibility for the

⁷ Pierre Bourdieu (1984) *Distinction – A Social Critique of the Judgement of Taste*, London: Routledge

⁸ The phrase is from Mike Featherstone (1991) *Consumer Culture and Postmodernism*, London: Sage.

On reflexivity see Anthony Giddens (1991) *Modernity and Self-identity*, Cambridge: Polity

⁹ Bernice Martin (1981) *A Sociology of Contemporary Cultural Change*, Oxford: Blackwell

construction of self could be seen as part of that same process of the reflexive construction of identity noted above. Innovation, continual transformation, personal choice, creativity – all these were cultural values which in the 1970s and 80s ran close to the transformation of cultural consumption and, increasingly, cultural production.

These are large scale transformations for which I cannot do more than trace general lines here. What I want to point to is that the emergence of the cultural industries was part of this shift, a response to it, an active negotiation. In terms of the local level we could call it ‘cultural renegotiation as business’. In *Distinction* Bourdieu identified what he called ‘cultural intermediaries’, the ‘organic intellectuals’ of the new middle class. These were the ones who opened up new cultural consumption fields, usually through their (post-68) control of the mass media. In the local city context these have been identified by writers such as Sharon Zukin as key agents of gentrification – not so much in the fact that they move into an area (pushing older residents out through rent/ price rises) but by their ability to transform the symbolic and spatial practice of an area.¹⁰ They transformed local consumption within an area (café bars, restaurants, delicatessens, specialist shops, galleries etc.) and changed consumption of an area (loft living, historic restoration, valuing ‘character’ - the old industrial vernacular as yuppie landscape etc.). These cultural intermediaries, for Zukin, opened up a new field of consumption within the city. It was this group that, according to her, was directly annexed by a new wave of urban redevelopers from the mid-70s onward.

I have criticised Zukin elsewhere.¹¹ However, if cultural intermediaries are those concerned to open up local space to new practices, to transform local cultures, to act as agents of cultural change – then this can be conceived in a number of (positive and negative) ways. But from our point of view here, many of these cultural intermediaries have emerged in cities across Europe as entrepreneurs (though often not very successful), cultural catalysts who actively transform the local cultural landscape of the city – galleries, bands, record companies, labels, bars, artists, restaurants, clubs, performances, independent marketing, flyers, designers, independent retail, fixers, chancers, new media people. It is in this sense that many of the first linkages between cultural industries and local policy makers was around urban regeneration projects – though (as Zukin has shown) this is itself fraught with difficulties.¹²

Local and Global

This shift towards cultural consumption is of course related to a more general process whereby knowledge and information have become increasingly central to the mode of production. This is what Manuel Castells has called the informational mode of

¹⁰ Sharon Zukin. (1988) *Loft Living – Culture and Capital in Urban Change*, London: Century Hutchinson; (1991) *Landscapes of Power – From Detroit to Disneyland*, Berkeley: University of California Press.

¹¹ ‘Left Loafing’ in O’Connor, J. and Wynne, D. (1996) *From the Margins to the Centre*, Aldershot, Arena

¹² MIPC is currently leading a two year investigation (ICISS) into cultural micro-businesses and cultural industry policies in 8 European cities – Manchester, Milan, Helsinki, Tilburg, Berlin, Barcelona, Goteborg – and a region – Jamptland in Sweden. This is co-financed by ESF-ADAPT. The link between urban transformation and these cultural intermediaries is, as one would imagine, much more complex than Zukin allows. See www.mmu.ac.uk/h-ss/mipc

production.¹³ The key elements here concern the systematic application of knowledge and information to the production of knowledge and information itself. This mode of production relies on global networks made possible by information and communication technologies. These global networks and infrastructures enable the vast and unstable flows of people, goods, finance and services which characterise this new mode of production. Three things concern us here. Firstly, as Castells notes, the increased reliance on the flow of knowledge and information across networks increases the specifically cultural component of these networks. By this he means social structures, traditions, levels of education etc. Secondly, it is the ability of local economies to 'process knowledge and manipulate symbols' that counts in this new economy – it is in this sense that Castells refers to local cultural structures and local cultural competencies. Thirdly, as Lash and Urry pointed out, these global flows are also increasingly made up of signs, images, texts, designs, sounds which have a primarily aesthetic significance. In this context it is cultural intermediaries who must link the global flows to a specifically local component, thus making cultural infrastructures a crucial element of local city planning.

This local level is crucial in the debates around the cultural industries. Much of the European debate is focused on the level of the member states. But in terms of the internal dynamic of the sector it is to the local city or city-region to which we should look. Castells' contention that the global economy has given increased importance to the city/regional level at the expense of the nation state is certainly true of the cultural industries. These industries have a strong and self-conscious local character. When they refer to the 'national level' they usually mean the capital city acting as a global node. This is the case in London, a major global node, which stands ambiguously between the 'national' (as interface between local and global) and the 'local' (a particular city-region with its own structures and dynamics etc).

Defining the local sector is very difficult – especially when it comes to local GDP or market 'catchment' – because the cultural sector is an articulation of the global and the local. It is also an articulation of the large and the small. The cultural industries are predominantly made up of small businesses. In the UK 56% of those with a main job in the cultural sector are employed in firms of under 25 people. In this sector 25 is a large business. 40% are in fact self-employed. Self-employment has grown 81% in the 1980s compared to 53% in the economy as a whole. The younger the age group, the higher the percentage.¹⁴ In the cities of Europe these 'new independents' (Charles Leadbetter), these new cultural entrepreneurs operate as loose, fluid, highly creative clusters operating outside or on the edge of the public funding structures.¹⁵ These clusters are articulated to locally situated global businesses (the large broadcasting or film companies, for example), to global corporate distribution networks (such as music recording), and to the more open markets made possible by the internet and e-commerce.

This articulation of the global and the local, the 'space of flows' and the 'space of place' as Castells has it (discussed elsewhere in this issue) is complex and volatile. It

¹³ Manuel Castells. (1996) *The Information Age: Economy, Society and Culture*, Oxford: Blackwell

¹⁴ Jane O'Brien and Andy Feist (1995) *Employment in the Arts and Cultural Industries: an Analysis of the 1991 Census*: Arts Council of England

¹⁵ Charles Leadbetter and Kate Oakley (1999) *The Independents: Britain's New Cultural Entrepreneurs*, Demos, Redwood Books

has a specific mix in each locality and within each sub-sector. Thus the local dimension of recorded music is both more and less local than, say, a local TV. Its products and producers tend to be more rooted in a sense of locality, and indeed, become emblematic of this locality (sometimes against their wishes and after they have left!) than a local TV station. On the other hand the infrastructure which would allow the retention of economic benefit and of enhanced music business expertise is difficult to retain at the local level (especially in the UK); a local TV company can spawn a real local cluster. Understanding how this articulation operates in a specific locality is crucial to developing a local strategy.

Creativity and Risk

The cultural industries sector at the local level is crucially dependent on these cultural entrepreneurs. It is in this field that the accommodations between culture and economics are worked out on a day to day basis.

*'So you are aware just through lifestyle that you can separate yourself... Its a constant process of renewal and essentially, its a cliché, you're only as good as your last promotion...It's very fickle, its very liquid, it moves on. If you rest on your laurels and don't progress and slightly stay ahead [you're in trouble]. You have to be obsessed about what's going on everywhere and be original and leading.'*¹⁶

The cultural sector mixes money and value, making money and making sense. They have an emotional investment in the product and a need/desire to sell it. This involves an insider's knowledge of the cultural circuit and market opportunity, often couched in terms of 'intuition', 'hunch', 'feeling' and thus difficult to codify or express in straight business terms. They also have to manage the business, managerial, administrative elements of this cultural production. That is they deal in a mixture of symbolic and cognitive knowledge.

It is here that we see the cutting edge nature of these cultural businesses. The use of the term 'creative industry' and the association of these businesses with a 'creativity' which is somehow to be spread or encouraged in other 'straight businesses' is somewhat misleading. 'Creativity' can be applied to a range of other businesses, services, activities which have nothing to do with culture or symbolic knowledge. A new production system, a new aeroplane design, a new city cleaning service can all be 'creative'. Obviously the need for lateral thinking, going back to basics, thinking the unthinkable etc. are often associated with 'artistic' practice - though this is mostly a particular avant-garde or modernist image of the 'radical artist'.

However, where the cultural sector leads is in the risks they have to take with the development of a new product. In this sector economic value is dependent on cultural value. The new product is based on a symbolic knowledge often expressed as intuition - it can't be fully demonstrated or codified. The product will only have value in the future, if it takes its place in a future cultural field. As such this intuitive symbolic knowledge is very risky; it demands a commitment derived from a belief in ones self

¹⁶ Interview from MIPC project on cultural entrepreneurs and innovative milieux in Manchester, part of ESRC's Cities: Competitiveness and Cohesion programme. Cf. www.mmu.ac.uk/h-ss/mipc

and ones hunch or vision (another linkage to radical art practice). It is gambling on the future value of a product in a very volatile and fast moving symbolic circuit. It is sticking your neck out and riding on self-belief.

This is the habitus of the cultural producers, and it is sustained by a cultural capital acquired in education and through the informal networks and circuits of the cultural field. It is in this sense that the cultural sector is cutting edge - in dealing with symbolic value in a risky, volatile and future orientated market this sector leads the way for others. This new 'network economy' is described at its most intense by Kevin Kelly of Wired and it fits well the way in which cultural production takes place.

'The new rules governing this global restructuring revolve around several axes. First, wealth in this new regime flows directly from innovation, not optimisation; that is, wealth is not gained by perfecting the known, but by imperfectly seizing the unknown. Second, the ideal environment for cultivating the unknown is to nurture the supreme agility and nimbleness of networks. Third, the domestication of the unknown inevitably means abandoning the highly successful known - undoing the perfected. And last, in the thickening web of the Network Economy, the cycle of "find, nurture and destroy" happens faster and more intensely than ever before'.¹⁷

These cultural producers tend to be linked to the market not exclusively through research but also through intuition and market identification - they respond to larger shifts in lifestyle and the construction of identity through consumption. They link in their habitus, their business practices, their cultural capital that coming together of culture and economic production which we saw above.

The question faced by these small businesses and self-employed is how to manage cultural knowledge, which underpins its ability to innovate and change, with the business skills necessary to keep the cash flow, negotiate new contracts, identify new distribution, take care or marketing the product etc. Learning how to manage these demands is crucial to the survival of a small business. This problem is faced by the large cultural industry businesses. They are concerned with the identification and management of talent in a way that makes a profit. Their operations are in effect, as Simon Frith puts it, about 'how to rationalise the irrational'¹⁸. Hence, in the music industry, the role of A&R, cultural intermediaries with knowledge of the local scene, are linked (and often opposed) to the increasingly sophisticated market analyses and tracking techniques.

These local clusters are highly networked – it is through networks that these businesses begin to learn both the cultural and the cognitive ropes. The resemblance of these local cultural networks to Castells' 'milieu of innovation' as well as the practical support offered by these networks will be discussed in a forthcoming book.¹⁹ However, we also need to be aware of how these tendencies intersect with the larger national and global industries. On the one hand there is evidence suggesting that these larger concerns are themselves vertically disintegrating, using flexible contracts and out-sourcing. On the other, horizontal integration and concentration of distribution is

¹⁷ K. Kelly, 'New Rules for the Network Economy' in Wired, September, 1997

¹⁸ E-mail communication to the Music Industry Research Group, May 1999

¹⁹ O'Connor, J et al, *Cultural Industries and the City*, Sage Forthcoming.

now growing. These latter have certainly been concerns of national and EC cultural policy makers in many European countries, especially France and to some extent Germany. The problem has been not that these issues have been linked to language protectionism (which I don't discuss here) but that they have been uncritically linked to the 'art versus commerce' debate and that they have consistently failed to address the question of local and regional cultural industries. This latter dimension is increasingly crucial for all the reasons set out above.

A New Cultural Policy

This is not an attempt to dismiss the debate about culture that the rise of the cultural industries has provoked. I wanted to suggest that we step back and look at what is happening beneath our feet before jumping in. When we hear the word cultural industries we should not automatically reach for our Adorno. I would suggest that it calls both for a new understanding of the relationship between culture and economics; but also a new conceptualisation of cultural policy. This is a task of real urgency on the part of the EU, but also of city governments across Europe. I would suggest 6 areas in which such policy development should focus.

1. Recognition: the sector needs to be recognised as such – not just in terms of the big, 'national' companies (film, TV, recorded music etc.) but of the diversity, energy and creativity of the local clusters. It is here that policy should be focused. Recognition is about a new form of dialogue with these producers and a new form of legitimation for policy makers – a new form of governance.
2. The sector is highly educated – in the UK over 70% of those with cultural occupations having some form of higher education. But only 1 in 5 of these, and only 1 in 10 employed in any capacity in the cultural industries, has a degree in a creative arts subject. Higher education is thus crucial in learning how to operate in this field, but not necessarily through the acquisition of 'artistic' or 'creative skills'. Higher and Further education in general need to radically rethink their relationship to this sector. A non-linear learning framework, with multiple entry and exit routes; incubation units; flexible, small scale R&D schemes; the freeing up of expert knowledge – all these point to a new relationship between the university (itself involved in global and local expertise) and the cultural industries sector at the local level. Arts education in particular has to think through its defensive dismissal of 'training' in favour of 'education' and come to terms with a much more fluid interaction between artistic experimentation and entrepreneurial innovation.
3. The cultural or 'critical infrastructure' of institutions, spaces, formal and informal networks, expertise, agencies and traditions – that which gives a locality the 'cultural competence' to deal in a new global economy – needs become a central axis of economic, urban and social policy. This notion is too large to be discussed in any detail here but I would point to two important elements. Firstly, the traditional arts have a crucial role to play; at present they have been defensive and unable to say how they can contribute to the cultural industries. The ways in which the arts feed into the wider cultural infrastructure – and not that necessarily of the official arts infrastructure – is hardly addressed at present; but its cultural

circuits can be extremely catalytic for local creativity and innovation in both cultural production and consumption. The relationship of the arts to the cultural industries thus need a work of clarification; without this I suggest they will become a special interest group only. Secondly, as I have tried to suggest, cultural consumption and cultural production have close links, especially at local level. The possibilities of distinct and innovative consumption cultures has consistently been overlooked by cultural policy, as by urban regeneration. In fact, it is out of distinct local consumption cultures that innovative local production emerges. Rather than cultural policy promoting arts consumption (usually from outside the locality) as an antidote to mass cultural industry consumption, they may do well to look at the possibilities of promoting diversity and innovation in the spaces and practices associated with this consumption (such as building in low rent retail into schemes rather than seeing these as the economic generator for the rest of the building).

4. Business support infrastructures, including training, information and advice, needs to be targeted and tailored to the needs of this sector. At present the languages of business support and cultural businesses are mutually incomprehensible. City marketing and inward investment agencies need to improve knowledge of and contact with the sector in order both to service its needs and to use it in its own operations. Thus on the one hand cultural businesses can have a global profile but be completely ignored in city marketing campaigns, or used in an exploitative and crass manner (usually after the moment has passed). On the other hand, cultural businesses could really benefit from the contact and expertise of these agencies in opening up more global contacts. They also need expertise on how to deal with the increased orders and organisational demands consequent upon access to larger markets.
5. New information and communications technology is crucial in four ways. Firstly, it is through new content production that the new media industry has been forged, linking creative to (fairly basic) technology skills. The picture is fluid at present, not only involving the design of content but also new ways of manipulating information and design content to produce more information and more content that is perfectly homologous with the function of the informational mode of production as a whole. Secondly, these new technologies are opening up the possibilities of new global markets through internet based e-commerce in a way unthinkable even a few years ago. How this will change the articulation of large/ small, local/ global in industries such as music recording are difficult to predict. Thirdly, the internet allows the circulation of sector and sub-sector specific information in a more efficient manner than existing face to face and paper based forms. Given the growth of city led support and information services aimed at the sector technological literacy and access will be crucial to their full efficiency. Fourthly, in a similar way, new technologies provide ways of enhancing local connections and networks. Localised web sites, mail bases, bulletin boards can enhance local networks as well as provide a more collective identity and branding. These are happening very informally – but there are experiments at developing these at city and city quarter level. Fifthly, information technology point us towards the possibility of creating links to the wider economy. In areas such as fashion or furniture design, the possibilities of linking a dispersed and fragmented

production (in the sense of original design) sector and a corporate purchase/reproduction sector through sophisticated information and communication networks hold out enormous potential.

Investment in technology literacy and technology access is thus absolutely crucial in the promotion of a local cultural industries sector.

6. Urban regeneration; the relationship between the cultural infrastructure ('software') and the urban infrastructure ('hardware') takes us well beyond the limits of this article. But the relationships are both complex and manifold. Cultural industries thrive in the city; cities sustain the networks of information, expertise and interaction central to their operations. The sector both contributes to and is attracted by the symbolic value of the built environment – as Zukin (critically) makes clear. Cultural infrastructures as much as any other allow the city to flexibly respond to changes within the global space of flows. On the other hand, the multiple value added brought by the cultural industries has almost universally been reduced by developers to their (positive) impact on land values (Zukin again). The inability of planners to place value on such activities in terms of intellectual and cultural capital has meant that cultural industries have usually been the first victims of the regeneration they helped to inspire. The integration of intellectual and cultural capital within the urban 'asset base' will be a central question for planners in the next decade (just as many companies are having to deal with the fact that most of its assets are intellectual).
7. Finally, in the UK the cultural industries were caught up in the polemic between those who see the economic future as service sector led and those who saw it as manufacturing led. This was of course a highly politicised debate in the 1980s, whereby Margaret Thatcher saw the modernisation process in terms of breaking the power of the unions – and 'manufacture' became a dirty word along with the unions and a particular articulation of 'labourist' culture. This attack on unions-manufacture also had a regional dimension in that they were concentrated in the Labour heartlands of the North and 'Celtic fringe' – this specific cultural distinction acting as a political determinant in their subsequent treatment by central government. The opposition of service and manufacture is, as we now know, largely a false one – the key term is the productive capacity of knowledge and information within each. The cultural industries were promoted in many de-industrialised cities, as symbolic of a new future if economically negligible. They were equally decried as yuppie jobs, cosmetic, irrelevant. I would conclude by arguing that, rather than opposing the old and the new, in the next decade the task of local and regional strategy will be to find ways of linking the cultural industries to the wider manufacturing sector; pointing to creativity, risk, innovation and the central role of information, knowledge and culture in the global economy.