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Creative Industries A measure for urban development?

Reader

Vienna, 2004

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Workshop: Creative Industries
A measure for urban development?

Vienna, Austria, 20th March 2004
Depot, Breite Gasse 3, 1070 Vienna

Programme

9.00

Welcome address

Rupert Weinzierl (WIWIPOL), Monika Mokre (FOKUS)

09.30 – 11.00: Paper session I: Force of facts

Ruth Towse (Erasmus University Rotterdam): Towards an Economics of Creativity?

Norbert Kettner (departure, Vienna): Funding Bodies Defining Who is in and Who is out

11.00 – 11.30: Coffee break

11.30 – 13.00: Paper session II: Definitions and potentials

Margaret J. Wyszomirski (Ohio State University, USA): Cultural Industries/Creative Sector:
Definitional Approaches

Elisabeth Mayerhofer (FOKUS Vienna)/Paul Stepan (Erasmus University Rotterdam): Creative
Entrepreneur – Science and Fiction

13.00 – 14.30: Lunch break

14.30 – 16.00: Paper session III: Creativity and innovation

Doris Rothauer (Vienna): The run on Creativity

Christian Handke (Humboldt University Berlin): Defining creative industries by comparing the
creation of novelty

16.00 – 16.30: Coffee break

16.30 – 18.00: Paper session IV: Urban development

Martina Boese (University Vienna): 'Creative industries-talk' and the not so Sexy Issue of
Regeneration

Monika de Frantz (European University Institute Florence): Cultural Regeneration as Discursive
Governance: Political Decision-making on the Vienna 'Museumsquartier' - with a Comparative
Perspective on the Berlin 'Stadtschloss'

19.00: Plenary discussion: Creative Industries – Who benefits?

Andrea Ellmeier, Peter Rantasa, Ruth Towse, Margaret J. Wyszomirski.

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Ruth Towse
Erasmus University Rotterdam
Towse@fhk.eur.nl

Towards an economics of creativity?

First draft

Abstract: The paper explores in a preliminary way various stands of thinking in cultural economics that could lend themselves to an economic analysis of creativity. This topic is clearly under researched, even though creativity as an activity is made much of in relation to the cultural or creative industries.

“.....the work of the artist in all its aspects is, of its nature, individual and free, undisciplined, unregimented, uncontrolled. The artist walks where the breath of the spirit blows him. He cannot be told his direction; he does not know it himself. But he leads the rest of us into fresh pastures and teaches us to love and to enjoy what we often begin by rejecting, enlarging our sensibility and purifying our instincts. (Keynes, 1945 BBC broadcast on founding the Arts Council)

1. Nature or Nurture?

Dr Johnson in his famous Dictionary of 1775, defined the verb ‘to create’ as ‘to form something out of nothing’. ‘Creativity’ would therefore be defined as the ability to create. It is conceived of as closely akin to ‘originality’ and to creative genius, other concepts that began to be used in the eighteenth century. Before that, these ideas had a clear connection to the Divine with the implication that God (or the gods) not Man was the origin of creation. Other synonyms for creativity are: imagination, inventiveness, ingenuity, inspiration and vision. ‘Talent’ is also related to creativity. In this paper, I deal not only with all these somehow related concepts but I do not attempt, at this early stage, to distinguish between them.

In cultural economics, particularly in the analysis of artists’ labour markets, there is a tendency to think of certain sorts of artists – poets and painters, writers and composers, directors and choreographers - as creative artists because they ‘create’; and performers – musicians, singers, actors, dancers, clowns – as ‘talented’ because they have some inborn ability (or, perhaps, they acquired certain skills very early on), that give them a ‘natural’

advantage over other people in becoming performers. Later on, I discuss the way copyright law has echoed this distinction between the author (the creator) of a work and the performer who executes the performance of the work (and also the impersonal firm in the cultural industries which delivers 'creative' work to the market). For the moment, it is interesting to see what economists have had to say about creativity and talent, or at least, to search in the literature of economics for clues on how to develop an economics of creativity.

We can start thinking about creativity in economics by considering the nature/nurture distinction that arose in the writings of the Classical Economists. The obvious starting point is land, which was universally regarded as the 'free gift' of Nature, with the value of the 'original and indestructible powers of the soil', as Ricardo expressed it. Because human agency did not create land, returns to it are economic rent and therefore a surplus. However, human labour must be applied to land in order to extract its benefits and this led Locke to the view that there is a 'natural right' of property to the land upon which man's labour has been expended so that its return may be appropriated. This argument is frequently used to justify copyright, both historically in relation to the 1710 Statute of Anne (England and the world's first Copyright Act) and in modern day natural rights doctrine.

Labour as a factor of production evoked a different response. Adam Smith sought to explain the differences in wages by considering the effect that natural endowment and acquired knowledge had on them. Taking 'common labour' as the yardstick, he thought about the reasons why some workers were paid a wage above that of common labour, one being natural talent and another being education. His explanation of differential wages was supply and demand in the labour market. Smith had an ambivalent view of talent:

"There are some very beautiful and agreeable talents of which the possession commands a certain sort of admiration; but of which the exercise for the sake of gain is considered, whether from reason or prejudice, as a sort of public prostitution. The pecuniary recompence therefore of those who exercise them in this manner, must be sufficient, not only to pay for the time, labour and expence of acquiring the talents, but for the discredit which attends the employment of them as a means of subsistence. The exorbitant rewards of players, opera-singers, opera-dancers. &c. are founded upon those two principles; the rarity and beauty of the talents, and the discredit of employing them in this manner.....Such talents, though far from being common, are by no means so rare as is imagined. Many people possess them in great perfection, who disdain to make use of them; and many more are capable of acquiring them, if any thing could be made honourably by them" (Adam Smith, *The Wealth of Nations*, Book I, Chapter X, Part I, ed. Cannan; 108-9)

Smith therefore viewed talent as acquired by nurture as well as being a gift of Nature and perceived the scarcity of talent as being determined not by Nature's niggardliness but by social convention. He believed that if social attitudes towards performers were to change, the supply of talented labour would increase and their reward would be accordingly less. Nor did he confine this belief to performing artists and believed that education and social convention could overcome apparent natural differences:

“The difference in natural talents in different men is, in reality, much less that we are aware of; and the very different genius which appears to distinguish men of different professions, when grown up to maturity, is not upon many occasions so much the cause, as the effect of the division of labour. The difference between the most dissimilar characteristics, between a philosopher and a common street porter, for example, seems to arise not so much from nature, as from habit, custom, and education.” (Op.cit Book I, Chapter II, 15).

Thus Smith considered talent to be natural but that it could also be nurtured. Moreover, by linking it to the division of labour, which is ‘limited by the extent of the market’, he suggests that it is also an economic phenomenon and, indeed, from the first quotation, we see that supply (‘rarity’) and demand (‘admiration’) play their role in determining the earnings of those who possess it. Talent, therefore, can be thought of as akin to the fertility of land, the free gift of Nature; it is an inborn asset, which often manifests itself early in life and it enables the ‘owner’ not only to acquire skills more easily but also to achieve a high level of ‘artistic productivity’ – great works of art – that few competitors can supply.

The analogy with the (later) Ricardian theory of rent is a strong one. In that theory, differential rents are explained in terms of the differential natural fertility of land and the demand for corn; as the demand for corn shifts out (say, due to population growth), land of ever less fertility is brought into cultivation with lower yields of corn. But which is cause and which is effect in determining rents? One might paraphrase the Ricardian argument in the context of the arts as follows: ‘is the price of opera high because singers’ fees are high or are singers’ fees high because the price of opera is high’?

By contrast to land, capital rightfully commands a return (the rental rate) because it requires investment from deferred consumption – giving up the satisfaction of present needs and demands in order to produce more goods in the future. Several forms of capital can be identified: physical capital (machinery, tools and suchlike), the Classical concept of capital, to which have been more recently added the concepts of human capital (investment in human capabilities by means of formal education, training and experience), social capital (social networks, trust, reputation and so forth), a concept borrowed from sociology, and that of cultural capital introduced by Throsby, which he defines as ‘an asset that embodies, stores or provides cultural value in addition to whatever economic value it may possess’, where cultural value is defined as a combination of aesthetic, spiritual, social, historical, symbolic and authenticity values, typically produced by artists (Throsby, 2002; 46; for a full discussion, see Throsby, 2001; chapter 2).

2. Human capital theory and innate ability – a model for creativity?

Human capital has been defined as “.....the stock of skills and productive knowledge embodied in people. The yield or return on human capital investment lies in enhancing a person’s skills and earning power, and in increasing the efficiency of economic decision-

making both within and without the market economy” (Rosen, 1987; 682). This definition captures two essential features of the theory: that human capital cannot be separated from the person and that human capital embodied in an individual may be increased by investment. What it does not recognise, however, is the ambiguity of the concept of human capital as a combination of inherited characteristics, tacit knowledge, innate ability and acquired skills; each plays some role in the individual's productivity and earning power but how much influence is exerted by one or the other has proved difficult to pin down.

A thumbnail sketch of the theory is as follows: though the concept of human capital had been recognised by Adam Smith, it was only in the 1960s that the fundamental conceptual framework of analysis for virtually all subsequent work in this area was developed by Gary Becker in his path breaking book *Human Capital* (1964). In it, he introduced the distinction between specific and general labour training, arguing that schooling (formal education) was in fact a leading example of human capital formation by general training.

Adam Smith understood the essence of the notion of human capital investment: the formation of human capital through costly education, the necessity for higher earnings to compensate those who had made the investment in human capital, and the accrual of these earnings over a lifetime.

“A man educated at the expense of much labour and time to any of those employments which require extraordinary dexterity and skill, may be compared to [an expensive machine]. The work, which he learns to perform, it must be expected, over and above the usual wages of common labour, will replace to him the whole expense of his education, with at least the ordinary profits of an equally valuable capital. It must do this too in a reasonable time, regard being had to the very uncertain duration of human life, in the same manner as the more certain duration of the machine. The difference between the wages of skilled labour and those of common labour is founded upon this principle”. (Smith, 1776, Book 1, Chapter 10, Part 1).

Turning somewhat swiftly to the 1960s and the modern theory: Becker adopted a rational economic model of human capital in which individuals invest in human capital formation up to the point at which the discounted costs of formal education and on-the-job training equal the discounted future earnings over a worker's lifetime. The rate of return that equates these two streams must in equilibrium equal the rate of interest, that is, the cost of borrowing the outlay on the investment. Becker recognised that all families do not have equal access to financial resources and that affects the human capital investment decision. Family background may exert other influences on the costs and returns to human capital investment; inherited characteristics and early advantages, such as health, greater investment during childhood, above average ability and innate talent all mean that some individuals learn more easily than others and therefore achieve higher productivity from a given period of study or, *pari passu*, need to spend less to achieve the same learning outcome. These family background and interpersonal differences give rise to the so-called ‘ability bias’ in measuring the rate of return to investment in human capital. Much of the

analysis of human capital over the last 30 years has been about the problems of identifying the specific contribution to earnings of innate ability rather than of ability acquired through 'schooling'.

We might, however, try to analyse talent and creativity in the arts by analogy with the role of innate ability in human capital theory. In relation to education, innate ability reduces the cost of investment in schooling needed to achieve a given outcome, say, a university degree, as it is an argument in the educational production function; the greater the innate ability, the higher the productivity achieved by a given level of investment, or, *mutatis mutandis*, less investment is needed to achieve a given level of attainment. Innate ability therefore has similar effects to the fertility of land on cultivation in Ricardo. Thus, human capital theory attempts to explain earnings differentials in terms of nurture but fails to do so completely because of the endowments of Nature.

3. Artists' earnings functions

Empirical studies have tested the human capital model in the arts, treating artists as workers like any other making rational choices about investment in education and on-the-job-training and occupation. There are considerable difficulties concerning the definition of the artist population and of obtaining data (Towse, 2001a, chapter 3). Without going into too much detail, results showed that, compared to other workers with comparable education, artists earned significantly less. The lower earnings penalty can be viewed as a compensating differential, the 'psychic income' for the net advantages of a preferred occupation. On the latter point, Filer (1986; 1987) found that the penalty for the choice of artistic occupation in the USA was not high and that 'failed' artists were able to move into other occupations without a high earnings penalty – a striking testimony to the power of general training. All these studies, however, have found that human capital variables had only a very weak effect on earnings and concluded that innate characteristics (talent and motivation) and luck, though not identified, must play a considerable role in determining earnings in the arts.¹ The experience of testing human capital models in the arts has led Throsby to develop a work preference model of artist behaviour (Throsby, 1994) as an alternative to the human capital investment model. Cowen and Tabarrok (2000) also develop a utility-based model. It remains to be seen how these models stand up to empirical testing.

4. Can artists be trained for talent and creativity?

Setting aside the question of whether creativity or talent/genius is the free gift of Nature, let us move on to what we could think of as the first step in the nurture chain – the very early influence of family and, possibly, of parental occupation. That is a phenomenon that has been little researched by cultural economists. Bearing in mind that formal specialist art and music academies developed only in the 19th century, before then all training was privately financed and mostly on-the-job, often by apprenticeships. For many artists, training started at home. Early childhood education within the family may be and often is

¹ See Withers (1985/1997), Throsby (1992/97; 1994; 1996), Filer (1986).

important in developing a child's interest and skills in the arts, as is, for example, the case of children's dance and music lessons and with sports (Seaman, 2003).

Institutions like church choirs were of course very important in music (and still are) but for acting, dancing, drawing and painting there was nothing except on the job training; indeed, even today, some creative artists cannot get specialised training (eg theatre directors, choreographers, writers). On the other hand, there are numerous examples of family traditions in artistic occupations – the Bach family et al. However, there are also hundreds if not thousands of examples of artists whose children showed no talent. Moreover, some great artists had to struggle with their parents to be allowed to follow an artistic career, for example, Berlioz. So, casual observation – so often invoked in these discussions – yields conflicting evidence. What we need is some longitudinal studies of artists' careers and training that include family history.

But the crucial question is whether formal schooling can emulate or replace early knowledge transfer (tacit knowledge or early training) and what contribution institutions of higher education make to the supply of creative and talented artists.

5. The human capital model and artists' training decisions?

We now come to the question of whether the human capital model explains artists' decisions on training and career development. If we were to take the extreme view that natural talent alone determines an artist's career and earnings, investment in training would not be worthwhile; by definition, it could not raise productivity. However, casual evidence from the biographies of artists goes contrary to that view, as many highly talented artists have trained at art, drama or music college. That could, of course, be for institutional reasons and we may question whether an alternative organisation of training, such as private lessons, could yield the same results. Apprenticeships in the performing and visual arts (the only source of training before the nineteenth century) are alternatives that are still sometimes available today (for example, for potters and for opera singers ¹).

Part of the experience of attending college, however, is socialisation and professionalisation. All artists need to learn the ropes and networking – forming working partnerships, meeting with other artists and with agents who may in future be in a position to offer work, getting recommendations from well-known teachers – may be more important than the schooling function. These qualitative arguments may explain the weak effect Throsby found for the influence of human capital on artists' earnings. Attending college helps the artist get her first work assignment and that may be a critical step on the career ladder. It also provides general training that can be used outside the arts and it teaches good networking and other 'social capital' skills.

¹ Until the mid twentieth century in Italy, the standard training of singers consisted of the pupil going to live with the Maestro and having daily lessons. Tito Gobbi trained that way and so did Cecilia Bartoli, whose singer parents taught her at home. Conductors often started as répétiteurs in opera houses teaching singers their parts or even, as in the case of Georg Solti, as pianists working for a singing teacher. Opera houses have fairly recently reintroduced apprenticeship schemes for trained young singers to acquire work experience.

But if investment in human capital only marginally explains the observed high demand for arts training, does that suggest that 'screening' models perform better? According to the screening hypothesis, employers use educational choice to draw inferences about unobserved attributes that are correlated with schooling. Employers use formal qualifications (a university degree, for example) as an information signal about workers, who signal their superior productivity to employers by acquiring paper qualifications. The extreme version of the screening model is that higher earnings do not reflect higher marginal productivity but only society's institutional commitment to 'credentialism'. All agree that more time spent in schooling yields higher earnings but sorting models dispute precisely what it is that leads to greater productivity.

Becker has argued that a refutation of the screening hypothesis is the fact that the education system is an inordinately expensive screening device and that such inefficiency is unlikely to develop spontaneously in a competitive economy and is even more unlikely to be sustainable over long periods of time. This argument carries greater force in the USA where students pay for further and higher education (FE and HE) but in many European countries they are either free or available at very low fees. So the direct cost of post compulsory education in Europe is small, leaving only the cost of forgone earnings to be borne by students and their parents. Indeed, many European countries even offer students grants and rewards for completing a course. In the arts, we see courses being over-subscribed as hopeful students who do not have to pay the full cost of training crowd into art, music and acting colleges. We also observe that employers in the arts place little reliance on certification based on formal schooling and often use their own screening devices (a refutation of Becker). It seems that certification by means of a degree or diploma also plays an ambiguous role in artists' labour markets.

Besides formal schooling, there are other screening devices available, such as prizes and competitions, awards from Arts Councils and other forms of informal certification that offer information.¹ However, employers do take note of the fact that artists have attended college because it screened them on entrance and they treat attendance as a signal that they have acquired some basic professional skills, even if these are marginal to the innate talent necessary for undertaking work in the arts. It seems that in a situation with over-supply of new entrants and the presence of a sea of amateurs, the position of the potential 'employer' in the arts (as compared to other labour markets) is especially difficult because of information problems; on the other hand, making the right choice matters less in a situation in which frequent job change and working on short term contracts is normal. And, as reported earlier, having a higher education qualification pays off in arts related and non-arts work even if not for artistic work and that is an important consideration for the majority of artists who hold multiple jobs.

The jury is still out, therefore, on what is an appropriate model to explain artists' training and occupational decisions.

¹ See Wijnberg (2003) for a discussion of the role of awards in the arts.

6. Creativity and talent in cultural economics

Talent and creativity are widely viewed as the sine qua non of art so what has cultural economics to say about it? A quick answer is that it has been little discussed. Throsby (2001) links creativity to his concept of cultural value and to his utility model of artistic supply. He identifies six characteristics of cultural value - aesthetic value, spiritual value, social value, historical value, symbolic value and authenticity value – and he considers their relationship to economic value. It might be possible, he suggests, to argue that consumers' preferences take cultural value into account and their willingness to pay for works of art is a measure of cultural value, the view taken, for example, by Frey and Pommerehne (1989) when they state that art is what is valued as such by the market. However, there are several reasons why Throsby rejects the equation of economic and cultural value: consumers may not be fully informed about artistic value; some characteristics of cultural value may not be expressible in terms of preferences; the individual may not be able to capture the benefits even if she perceives the cultural value of a work of art; and fourth, if the work of art has collective or group rather than individual benefits (for example, if it engenders a sense of belonging or national identity). He therefore maintains it is necessary to regard economic and cultural value as distinct entities and applies a twofold concept of value to works of art.

Creativity is often regarded as an individual activity, though there are many joint creative activities, such as theatrical rehearsals and teams of writers of soap opera scripts.¹ When we speak of creative artists, such as composers, authors or painters, they are essentially envisaged as working alone, experimenting with ideas. Another feature of creativity is originality, a spark of novelty that comes to the artist 'out of nowhere' or from reworking existing ideas in new ways - in these terms clearly parallels innovation and invention in science and technology. The 'reception' of creativity must also be considered: is it recognised? Can it be marketed? Can it be motivated by financial reward? These are questions that are relevant to the exploitation of talent and creativity by arts organisations and the cultural industries, as well as to cultural policy, whose aim is to foster the production of art. The economic value of creativity and talent in the creative industries is that they are necessary inputs to satisfy consumer demand for novelty and new experiences and to create lasting works of art.

7. Cultural policy for creativity?

The question how artistic motivation may be stimulated by government policy, such as subsidies to artists and to arts organisations, has been addressed by Frey (1997), who developed a general theory of economic motivation based on human psychology that includes the response to pecuniary incentives – extrinsic reward – but extends the maximand to the satisfaction of an inner, intrinsic motivation. While other cultural economists have recognised this distinction, Frey's insight is what he calls the 'Crowding Effect', the proposition that inappropriate rewards can displace incentives; for example, monetary payment, an extrinsic reward, may crowd out intrinsic motivation and become a

¹ Seaman (2003) contrasts research in the economics of sport on sportspeople working in teams with the far more limited work in cultural economics on teamwork.

disincentive rather than an incentive for acts which are intrinsically motivated. A better response may be achieved by offering intrinsic rewards to inner-motivated output; an optimal system combines appropriate incentives and rewards.

In 'State Support and Creativity in the Arts', Frey (2000) applies this analysis to the arts, asking how government support for the arts affects creativity. He distinguishes what he calls 'institutional creativity' from 'personal creativity': institutional creativity is motivated by extrinsic rewards and personal creativity is motivated by intrinsic rewards. Extrinsic rewards are what the market and the state can offer - the market via prices for artists' work and the state through direct financial measures, such as subsidy, and indirect measures, for example, copyright law (Towse, 2001b). Personal creativity is clearly more closely related to intrinsic motivation, which in its extreme form is the Romantic concept of the driven genius pursuing art for art's sake at all costs. Its reward is 'intrinsic', for example, recognition by one's peers and that is not something the state can offer. But even personal creativity is subjected by Frey to an economic interpretation by applying the all-powerful doctrine of opportunity cost: younger artists can 'afford' to be more creative than older established artists because they have less to lose artistically and financially.

Frey's theory seems to get us somewhat closer to the crucial question about creativity and cultural policy: can we 'create' creativity by investment, private or public? That obviously has important implications for the present day policy in many countries that emphasise the role of the creative industries.

8. Social capital and cultural capital and their implications for training artists

Social capital is a concept that originated in social theory and it has provided an umbrella term under which a range of diverse topics have been investigated by economists. Bowles and Gintis (2002; F419) define it as follows: 'Social capital generally refers to trust, concern for one's associates, a willingness to live by the norms of one's community and to punish those who do not.' Putnam (2000; 19), however, defines it as '...connections among individuals - social networks and the norms of reciprocity and trustworthiness that arise from them...'. Both aspects have been related to labour markets in general and specifically to human capital. In a recent review article, Sobel (2002) states: 'economists find the social capital metaphor useful in studies of economic development, transition economies, common-resource property use, and education' (p.143, my italics). Throsby defines cultural capital as 'an asset that embodies, stores or provides cultural value in addition to whatever economic value it may possess', where cultural value is defined as a combination of aesthetic, spiritual, social, historical, symbolic and authenticity values, typically produced by artists (Throsby, 2002; 46; for a full discussion, see Throsby, 2001; chapter 2).

It seems that several features bundled together as social capital are relevant to artists' labour markets. How do these features help us understand artists' incentives to invest in acquiring skills and competences? If, as is the strong implication, social capital is a 'public good' (in the technical sense of that term, that is, non-rivalrous and non-excludable), the inference is that individuals would not have the incentive to invest in

themselves and therefore artists' training would have to be collectively financed. However, if artists can appropriate the benefits for themselves, as with the human capital model, then they would have the incentive to invest in their own training. Though much of the research on social capital has been on its communal benefits, Glaeser et al (2002) make the case that standard microeconomic analysis can indeed be applied to social capital formation. Their model of individual investment in social capital, in which individuals choose optimal levels depending upon the opportunity cost of their time and time preference rate, is almost identical to the human capital investment model. Clearly they assume that social capital is not a public good, although it may have some degree of 'publicness'. More important for our present purposes is their assertion that: '(T)he connection between social capital and human capital is one of the most robust empirical regularities in the social capital literature. Better understanding of this connection should be a key goal for future research' (Glaeser et al, 2002, p. F455). The clear implication of this is that investment in social capital is analogous to that in human capital – indeed, the two are 'joint products'. But if that is so, there is an identification problem of distinguishing the private rate of return to one from that of the other. That muddies the debate about the relevance of human capital theory in artists' labour markets. It is clearly important for policy purposes to understand their separate contributions to lifetime earnings in view of the public/private dichotomy.

The public/private division also arises in respect of cultural capital. Throsby defines cultural capital as the stock of goods and services that constitute society's cultural assets, which have been created by artists (past and present). He distinguishes between tangible and intangible cultural capital: tangible assets may be privately or publicly owned but intangible cultural capital (which overlaps significantly with social capital) is always a public good. Both yield a return of cultural value that Throsby regards as a communal rather than an individual variable. However, the motive for the artist in creating these assets, according to the human capital view (which Throsby has tested more than any other cultural economist), is the desire for private gain, whether pecuniary or non-pecuniary. Thus, artists' human capital creates cultural capital - Adam Smith would have liked the implied doctrine of the unintended consequences of private action, the coincidence of private incentive with public benefit. As with social capital, there are strong externalities present in cultural capital (if not true public goods characteristics) that call for communal rather than individual investment.

One way of focussing on the differences between these obviously related capital concepts is to focus on their implications for cultural policy and how society can best invest in the supply of artistic creativity. According to human capital theory, we should encourage them to raise their productivity by subsidising formal training courses in colleges and possibly also by giving artists basic income support or price subsidies in order to raise their earnings. Social capital instead suggests that developing social skills, joining professional networks, acquiring a reputation and the rest are what is needed to pursue a career; acquiring the right experience for building a reputation for reliable professional behaviour takes precedence over schooling. Some social skills may be acquired in specialised colleges but investment in social capital on-the-job through work experience is likely to be more effective. The policy implications of the social capital model are therefore that there should be subsidies to colleges providing hands-on experience with

teachers who are professionally active: agreements with professional associations and trade unions to accept young entrants. It possibly also implies a policy of restricting the number of training places in college so as to raise the 'exclusiveness' and reputation of being accepted on a course. However, apprenticeship schemes and artist-in-residence placements would seem to be more effective in building social capital. As noted, social capital and human capital are likely to be formed side by side and for both there is a private return to the individual that is an incentive to investment.

Whether we espouse the concepts of human, social or cultural capital as our guide to cultural policy on artists, however, it is difficult to get away from the role of innate talent. In fact, none of these theories come to terms with this issue. Even distinguishing intrinsic and extrinsic motivation does not solve the matter. All told, we must accept the fact that the probability of backing the right horse and choosing only highly talented artists to nurture and support is very low. 'Many are called but few chosen' has to be the motto for art colleges and artists' labour markets. At best, they filter out the least able and create conditions in which the best can make their way. Throwing money at arts training by way of investing either in human, social or cultural capital does not really solve the problem of how to create or improve creativity. So how should we attempt to create and improve creativity? The answer is quite simply that we do not know.

9. Creativity and copyright law

Copyright law protects creators (authors and performers) by establishing statutory property rights that enable them to control the exploitation of their works, granting them the exclusive right to authorize their use. Copyright law in the Anglo Saxon tradition applies both to authors, performers and 'publishers' – companies in the cultural industries, such as producers of sound recordings and film. In the European civil law tradition, authors' rights pertain to human creators and neighbouring rights to the other groups; performers are not seen as creators but only as 'executing' the work of authors - the composer is the author of a piece of music and the performer merely brings it to life. Here I use the term copyright loosely to refer to both authors' and performers' rights as well as those of publishers.

In order to qualify for protection, a work must be original, meaning that it was not copied from another work. However, what is considered 'original' in copyright law, which sensibly does not take a stance on what is art, is not what is generally meant by artistic creativity; for instance, computer software and data sets are also protected by copyright law. In most developed countries, copyright lasts for 70 years after the author's death (50 years after the first fixation for a film or sound recording¹) and, as long as the work continues to be sold over that period (though most are no longer in the catalogue), the author or her heirs receive royalty income.

The economic purpose of copyright is to encourage creativity and the dissemination *inter alia* of works of art (Landes, 2003). Moral rights also are part of copyright law and they

¹ That is so in Europe. In the USA, companies have been granted a 95 year term, a change that kept Mickey Mouse from going into the public domain.

protect the reputation of the creator through rights of attribution and integrity. The simple economic rationale for copyright is that once a work has been set down in fixed form (printed, recorded, filmed), it can be copied and so becomes a public good. Without 'privatisation' by statutorily created property rights (copyright law), the creator could not earn the full reward for the fixed cost of creation because a copier would only have to incur the marginal cost of making a copy, and with modern copying technologies, that is typically very low. An unauthorised copier can therefore supply the market at a price that does not cover the fixed cost, which decreases (or destroys) the incentive to create and distribute works.²

Creators mostly have their work marketed by 'publishers' (record, film, TV, publishing companies, art galleries and so on – firms in the creative or cultural industries) who act on the assignment or licence of the copyright by the creator. The typical contract is a royalty contract, which may or may not include an advance payment, sharing the sales revenue of the publisher for a fixed percentage, often 10 or 15 percent (Watt, 2000, analyses royalty contracts in detail from the economic point of view). Once economic rights have been assigned, however, the artist has little residual control over exploitation (though moral rights may not be alienated). When firms decide to delete works from the catalogue, artists can rarely do anything to stop them. Copyright enables artists to earn from their investment human capital but it does not ensure they do so and how much they earn depends on market forces. And, as with artists' earnings from fees and wages, 'superstar' earnings from copyright royalty income are disproportionately higher than those of 'middle income' artists because superstars have greater bargaining power with firms in the cultural industries and they are therefore able to strike a better bargain than 'ordinary' artists (Caves, 2000). 'Average' artists' royalty earnings, by contrast, are typically low (Towse, 2001a).

It remains to consider whether a policy of 'strengthening' copyright law or 'increased copyright protection', both much touted by the cultural industries and their pressure groups as assisting artists (as well as themselves) would increase creativity. That is a complex question that has been little researched. Strengthening copyright for artists, for example, by lengthening its duration, is a two-edged sword: while increasing protection, it also takes more work out of the public domain, thus also increasing the cost of creation (Landes and Posner, 1989). It also benefits companies in the cultural industries more than individual artists since companies have better access to capital markets and a higher time preference rate, though it must be admitted that this is an assertion that remains unproven (Towse, 1999). In Towse (2001b), however, I argued that copyright may well meet Frey's call for intrinsic motivation for artists by providing symbolic recognition of their status. This is something that could be investigated further.

² For a good introduction to copyright in the arts, see Landes (2003).

10. The Growth of Wealth Effect

Finally, we come to the explanation of the purely economic stimulus to creativity from a high level of demand for works of art due to explosions of income and wealth. This was the explanation of John Maynard Keynes, who besides being the greatest economist of the 20th century, was also a champion of the arts in the UK, becoming the first Chairman of the Arts Council. Interestingly, he did not apply economic analysis to the arts and so is not counted among the ranks of early 20th century cultural economists. Nevertheless, he did not ignore the influence of the economy on the arts and believed that the growth of wealth was the greatest spur to cultural development: explosive wealth leads to cultural explosions - art and artists follow money and flourish in wealthy cities and states. He carried this belief over into his views on the role of state support for the arts: he thought the role of the newly formed Arts Council was essentially to repair the damage and disruption caused by the war and, once that was mended, the Arts Council could 'wither away' as demand for the arts would be sufficient to sustain them through the market.¹ Thus there was only a temporary role for arts subsidy – mostly to the 'Housing the Arts' programme – and thereafter, no government policy for the arts would be needed.

He is not alone among economists in this belief in the market and there have been several studies on the economic history of the arts that demonstrate the 'growth of wealth effect': Oates and Baumol (1972/1997) on theatre in Elizabethan England, Montias (1979/1997) on artists in the Netherlands, Baumol and Baumol (1994) on composers in Vienna; Cowen (1998), Frey and Pommerehne (1989) and Frey (2000) also give numerous examples. Rosselli (1989/1997) describes how opera for over 200 years was organised and financed through the market on a global scale. These accounts are not only of the 'superstars' of the day but, perhaps more significantly, also of the Schools from which they emerged and of the body of now lesser-known artists who were successful enough in their own times.

Concentrations of wealth would, therefore, produce concentrations of artists but does that explain the observed clustering of 'genius' at the same time in the same place? eg. Leonardo, Raffaello and Michelangelo in Florence; Shakespeare, Marlowe and Jonson in London; Haydn, Hummel, Dittersdorf and Mozart in Vienna, and so on? While we can understand that these artists would move to the centre where there is always more work (and there are numerous examples of artists moving to wealthy countries – Haendel in London, for example), but that does not at all explain these sudden cultural explosions. Was it training or opportunity to work for wealthy patrons? Does the growth of demand lead to an increased supply of genius, talent and creativity? Is there 'something in the air'? These are important questions if we wish to understand how creativity/talent/genius may be nurtured and supported by state or private patronage. Perhaps, however, it cannot do so and that raises awkward questions about the emphasis in the present day on

¹ " ... The task of an official body is not to teach or to censor, but to give courage, confidence and opportunity. Artists depend on the world they live in and the spirit of the age. There is no reason to suppose that less native genius is born into the world in the ages empty of achievement than in those brief periods when nearly all we most value has been brought to birth. New work will spring up more abundantly in unexpected quarters and in unforeseen shapes when there is a universal opportunity for contact with traditional and contemporary arts in their noblest forms. But do not think of the Arts Council as a schoolmaster..." (Keynes' 1945 BBC Broadcast)

the creative industries in cultural and economic policy. Are the much-touted 'creative clusters' in fact the cause of income growth or is it perhaps the other way around?

11. Final Comments

In this paper, I have raised the question whether economics can throw any light on creativity and sought to answer it with reference to various economic explanations. We saw that the Nature/nurture question was raised by the Classical economists, who were concerned with the just rewards to the factors of production, land, labour and capital. Smith, in particular, questioned the role of talent in explaining wage differentials but he did not conclude that Nature was the only cause of higher reward to talent since he thought its 'rarity' was due more the failure of nurture and convention than to total inelasticity of supply. Economic rent was present because supply was restricted by lack of what we now call human capital formation.

Interest in human capital formation in the 20th century led to numerous labour market studies seeking to explain earnings differentials by differences in formal education, which in turn are due to the rate of return over the cost of schooling; however, these studies have not solved the Nature/nurture debate because differences in innate ability and early acquisition of learning persistently 'interfere' with the effect of formal education on earning power in later life. Cultural economists have applied human capital theory to artists' labour markets, finding a strong effect of inborn 'talent' or 'genius' on artists' earnings. These studies have led to questioning the role of specialised training in the arts, either as human capital formation or as a screening device, because it is difficult to overcome the feeling that the kind of creativity (or talent) needed for success in the arts can be taught or even meaningfully nurtured by higher education. This clearly questions the policy of subsidised arts training as an efficient way of encouraging creativity.

Cultural economists have also considered the type of incentives that encourage artists and conclude that, since intrinsic motivation is predominant in the arts, financial rewards are unlikely to be appropriate and may even be demotivating. This leaves a big question mark hanging over any government cultural policy for artists since financial subsidies are inevitably the most common form of government intervention. It seems that we need to learn much more about the role of social and cultural capital formation in the training of artists. Even so, nurture seems less convincing than nature, though nurture of a different kind may be called for.

An alternative strategy for encouraging artistic supply is trying to ensure artists get their just rewards via the market and copyright law is supposed to do this by creating and defending property rights for creative work. However, though regulation through protecting copyright can establish these rights, their exploitation in the creative industries by no means guarantees that artists can earn sufficient income that way. How much they earn depends upon their bargaining power with firms in the creative industries, which is paradoxically increasingly weakened by ever stronger copyright law favouring the 'publisher' rather than the 'creator'. The emphasis on policies to stimulate

and support the creative industries may well not do much for creativity by artists. If Keynes was right, the best policy would be to encourage economic growth in the economy as a whole and leave the arts to benefit from the resulting growth in demand. Do we have any evidence that the growth of the creative industries is the cause of economic growth or is it merely the result of it? Or, since the creative industries are most commonly identified with 'dependence' on copyright, are we just measuring the increasing scope and duration of copyright law when we observe their supposedly high growth?

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Ruth Towse has a BA in Political Economy, University of Reading, MSc (Econ), London School of Economics and PhD, Erasmus University Rotterdam. She held posts in economics at Middlesex University, Thammasat University Bangkok (Thailand), the Institute of Education, University of London, City University (Department of Arts Policy and Management), the London School of Economics and at the University of Exeter (UK) before moving to Erasmus University Rotterdam in 1999, where she is Reader in Cultural Industries. Her main area of expertise is in cultural economics with special reference to the economics artists' labour markets and copyright in the cultural industries. She has published widely in cultural economics and on the economics of copyright, editing several major collections in both fields as well as authoring many articles in international journals and other publications.

Ruth Towse was Joint Editor of the *Journal of Cultural Economics* from 1993 - 2002 and has been a member of the Executive Board of the Association for Cultural Economics International and of ICARE in Venice. She is Vice President of SERCI (Society for Economic Research in Copyright Issues). She is a Fellow of the Royal Society for the Arts (FRSA). She has had commissions to undertake research projects for the Arts Council of Great Britain, the Arts Council of Wales, South West Arts, the World Intellectual Property Organisation (WIPO) and the Government of Canada. She has lectured, given seminars and participated in conferences in most European countries, the USA, Australia, Japan and Korea.

Norbert Kettner
departure/Wiener Wirtschaftsförderungsfonds

Funding Bodies defining Who is in and who is out

Abstract: In 2004, Vienna begins to enact an ambitious und comprehensive municipal programme to promote Creative Industries. This marks – after biotechnology and information- and communication-technologies – the third new main focus of the city`s economic policy. In addition, a current study illustrates the structural characteristics of the creative scene in Vienna as well as its specific needs, weaknesses and potencies. From there the Austrian capital approaches the issues in a very hands-on but pragmatic way. Neither creative Industries are considered a magic bullet to all economic problems nor a threat to the traditional world of arts and culture.

In 2004, Vienna is launching an ambitious and comprehensive municipal programme to promote Creative Industries (CI). Next to biotechnology and information and communication technologies, this marks the third new main focus of the city`s economic policy. In addition, a current study illustrates the structural characteristics of the creative scene in Vienna as well as its specific needs, weaknesses and potentials. On this basis the Austrian capital is taking a hands-on but pragmatic approach to the issues involved.

“Force of facts“ is the given theme, but I would like to modify it slightly in line with departure`s philosophy: "Driving force, based on facts“. Because we have facts at our fingertips that show that it's time to take action. But also because we see CI as a new, additional sphere of activity, as an opportunity we're opening up, not as a "reconstruction", but as an "extension".

You would be mistaken in believing that our aim is to take art, culture or creativity and tame, restrict or commercialise them. Or place them in a straitjacket. That would be precisely the wrong approach. Astonishingly, by the way, it is an approach that very frequently finds its way into international cultural debates – namely when producers of culture or cultural managers complain about a lack of funds, insufficient markets or dwindling audiences. That is not the point of the exercise as I see it, nor – if we understand it correctly – is it the point of the CIs. And it is certainly not the point of departure. Our aim is not the "economics of creativity“, but rather "economics based on creativity". Business activities based on knowledge, results and achievements that are gained quite independently of the constraints and rules of economic life.

Art – and here I also mean art in the wider concept of culture - will, should and can only be produced in accordance with its own rules, objectives and motivations. Without wanting to paint an overly rosy picture: in Vienna we can build upon a cultural milieu that is – still – fully functional. Training and research, the entire arts and cultural environment. It could

always be better – but it's good, at any rate compared with the situation in other countries. 100,000 people are employed in these sectors, almost 14 per cent of Vienna's active workforce. "Creativity" is doing well in this city, and cultural policy has to ensure that this continues to be the case. The Creative Industries - as we understand them – have no wish to interfere with the inherent laws of what I will call the “cultural world”, and they will deliberately refrain from doing so. Interfering would not only be unethical, it would also be a complete and utter waste of time.

CIs become active at the point where this "world" of arts and culture – all too often very soon, unfortunately - ends, where it can prevail no further, where it reaches its limits given the means at its disposal. Fashion that never gets worn because there's nowhere you can buy it. Musical experiments that never reach the wider public because they can't be converted into a technical format that would enable more people to listen to them. Software that lacks immediate applications and is thus never developed for the series production that would enable it to be used on the usual types of computers. Archiving systems developed in a library that could definitely enable better access to education in wider fields too, if only ... yes, and it's precisely this "if only" that departure is all about.

I have the greatest respect for artists and other creative people who concentrate on "pure, non-gainful" creative production. But in their case we're not talking about CIs.

It is true, though, that a lot of these creative people very much want to step out into "broader pastures", to use a picturesque phrase. This was not least demonstrated by the interest shown in the two call campaigns we carried out in 2002 and 2003. Yet the strong creative brains often lack the sturdy long legs that would enable them to take this step. And that's where our plans for the promotion of CIs come in – to build bridges from this world of creativity, if I may put it like that, into the world of business. CIs should not be seen as a magic bullet capable of curing all our economic problems, nor as a threat to the “traditional world” of arts and culture. They should rather encourage and support the interaction of these two worlds - for their mutual fertilisation, in order to create new values that then find their place in our society. The aim is to network different ways of thinking. That's how the world cultural heritage of tomorrow will emerge, that's how modern society will succeed in finding its values, even in the face of globalisation, industrialisation and commercialisation. Of course it's also a question of dismantling fears – and that on both sides. The fear of unauthorised marketing of ideals and ideas on the one side, and on the other side the fear of penetrating into an unexplored area you can't comprehend and whose language you don't understand.

Our funding, and I can't repeat this often enough, comes from the business promotion budget of the City of Vienna, not from the cultural budget. The world of business is holding out its hand – and we should grasp it. Neither will any cultural promotion funding be cut in order to finance this programme, as has been the case elsewhere.

In terms of structure – and in line with the recommendations of the study – we opted for a fully independent set-up, which – reflecting the needs of our stakeholders – leaves a lot of scope for flexibility. Of course we could also have spent years discussing "who is on the list and who is not", but that would have been an endless task in a sector that is undergoing such

dynamic development. So what we said was: OK, let's start where Vienna has the best prospects for success, and develop things from there. We are ready for take off.

After all, the study is essentially based on information provided by the defined creative sectors themselves. It analyses four main areas of weakness:

- the opportunity for growth
- the chance to become active on the international scene
- the formation of clusters, i.e. collaborations within the various creative industries
- so-called "governance", which roughly speaking means "enabling and showcasing" of unusual, innovative projects.

Accordingly, we'll start by offering various service and funding models in order to address as broad a spectrum of creatively active people as possible and provide each individual with what he or she sees as the best approach towards the world of "business".

- Some will want to follow their own individual path, largely alone and with a minimum of outside influence – and this is where the Business Plan Competition comes in: a training programme specially tailored to the working situation and structures of the creative branches. For those who want to learn how to "do business".
- Other ideas and projects, on the other hand, will be at a stage where targeted impulses can help get something up and running; something that will soon regain its independence and be capable of standing on its own – strong – two feet. This is also the area where "learning from one another" is relatively easy to implement, where best-practice models can be elaborated, where a mentoring and guidance dynamic develops. And that's not all: a further aim here is to draw the attention of the "corporate suits" to the possibilities and opportunities of the CIs, to open their eyes to the dormant potential in this sector.
- The third category then comprises the classical instruments for the promotion of ideas and projects, on various scales and according to various systems, collectively known as "open structural funding".

And now for some further details about the different models:

Business Plan Competition for Creative Industries.

Another clear recommendation of the study refers to the need to professionalise the business operations of enterprises in the CI sector, meaning both their commercial know-how as well as their awareness of realisation strategies based on copyright arrangements. For this purpose departure is running a three-stage Business Plan Competition in autumn 2004.

The Business Plan Competition is aimed at

- Business start-ups in the CI sector
- Enterprises in the CI sector wanting to branch out into new areas of business
- Enterprises in the CI sector wanting to tap new markets
- Enterprises in the CI sector wanting to raise equity capital from investors
- Enterprises in the CI sector wanting to improve their rating with credit institutions

- Enterprises in the CI sector wanting to win new business partners

The enterprises will be accompanied through all three stages (basic concept, outline business plan, detailed business plan) by national and international coaches. Besides cross-sector content such as financial planning, drawing up a business plan and legal advice, the programme will be the first to offer training in additional sector-specific subjects including music and fashion marketing, etc. Furthermore, the programme will also be the first to specifically address and involve final-year students on degree courses at the various educational institutions (Academy of Applied Arts, etc.).

"Open" funding channel to remedy structural deficits

The CI study explicitly recommends the establishment of an "open" funding channel to eliminate structural problems in terms of innovation, and especially with regard to distribution and realisation. Vienna is the first federal province to develop a "creativity promotion scheme" of this kind, with funds to be allocated four times a year to cover project-related personnel and material costs associated with production (e.g. sample collections and prototypes) as well as the cost of downstream national and international realisation and marketing activities. Projects will be evaluated according to the following criteria, among others:

- contemporary creative content in the technical field
- contemporary creative content in the artistic field
- extent to which a project involves knowledge transfer between the fields of art, business and science
- extent of interlinkage along the value-added chain (creation, production, distribution)
- contribution of the project to Vienna's international image as a centre of contemporary creativity

Small and medium-sized Viennese enterprises from the fashion, music, multimedia and design sectors will be eligible to apply for funding under the new scheme. A corresponding funding directive is currently being developed on a de minimis basis (max. funding per enterprise: EUR 100,000 over three years), which is to be adopted by the Board of the Vienna Business Agency in May and passed by the Vienna City Council in June of this year.

So that's where we are at the moment. As I said earlier, it's high time that all the words were finally translated into action. We are well prepared and have put in the necessary spadework to create a solid foundation. Nevertheless: we know that there's still a lot of development work to be done. And we also know that we're bound to make mistakes that will have to be remedied as we go along.

My team and I will be supported by expert consultants and advisory bodies in all three areas of activity. But essentially we are still reliant on input from those who are active in this sector, our "customers". So let this be our watchword from now on: the City of Vienna has launched departure in order to put its concept into a concrete form. Now it's time to make it work in reality.

Norbert Kettner, 36, is general manager of departure wirtschaft kunst und kultur gmh, an affiliated company of the city of vienna which realizes a municipal programme for the promotion of Creative Industries. Before that, Kettner worked for the Viennese Vice Governor and Executive City Councillor for Finance and Economic Affairs.

Margaret J. Wyszomirski
The Ohio State University
wyszomirski.1@osu.edu

Defining and Developing Creative Sector Initiatives

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Abstract: Cultural industries, copyright industries and the creative sector are all terms that have been used to describe an important, complicated and timely subject. For many countries, these industries have been promoted as leading export sectors and as sources of jobs in the “new economy.” Cultural industries are not only a leading edge of this new and creative economy, but are also global players as well as bulwarks of local identity. Nations as diverse as Canada and Singapore, Austria and Australia, France and the United States employ the creative sector as a primary purveyor of national images abroad and, as such, have been a source of both international understanding and misunderstanding. Some countries are further along in the process of identification and definition than others. Some countries have progressed beyond the definition stage and have formulated cultural development policies. Whatever the stage of discourse and policy formulation, it is generally the case that the creative industries themselves seem to have little sense of a common identity and that the public seldom regards them as part of an interrelated collectivity. In turn, without such self-perception and public awareness, training, development, planning, and policymaking is not only difficult but haphazard.

The first order of business must be to establish a working definition that could help us see the scale, dimensions, variety, and interdependencies within the industry/sector and among its constituent parts. Both parts of the basic term is in question. Are we trying to define an industry, an industrial cluster, or a sector? Is this entity concerned with culture, content, copyright, or creativity? What principles or disciplines are we to use in establishing this terminology? A definition may rely on economic concepts or draw on ideas about sociological structures and human service systems. A sector can even be defined through the political processes of formulating a public policy and coalescing a policy community. However it is accomplished, a working definition is crucial to efforts to develop a creative sector as a matter of public policy.

Economically, a working definition of the creative sector may be conceived in terms of industrial organization, in terms of occupations and/or professions, or in terms of products and/or services. Looking at the US context, a broad definition adopting an industrial organization perspective might conceive of a creative sector as being composed of seven industrial clusters:

- (1) There are many sole proprietorships, small businesses and independent contractors engaged in arts and cultural production, so this model places them at the “industrial” core:
- (2) the for-profit popular culture and entertainment industries of Broadway, film, television, sound recordings, and fiction publishing;

- (3) the design industries including graphic and fashion, architecture and the rapidly growing set of new media design activities;
- (4) the non-profit fields of the live performing arts, fine art production, and literary publishing;
- (5) public sector art agencies that directly operate cultural production facilities and organizations such as public arts centers, concert houses or some museums; and
- (6) the cluster of informal, unincorporated and/or community-based organizations that facilitate amateur, experimental, collecting, or culturally specific cultural production and engagement; and
- (7) the set of heritage resources and organizations that may operate in either the public or the nonprofit sector such as museums, historic houses and sites, artifact collections, or ethnographics resources.

Conversely, one might adopt a more interdisciplinary and conceive of the cultural industries as constituting a societal sector. A societal sector is not only broader than an economic industry or industrial cluster; it also implies a multi-disciplinary sense of its significance. Speaking of the cultural industries, Hesmondhalgh (2002) argues for the societal significance of the creative sector. He observes that (1) more than other types of production, they have an influence on our understanding of the world as well as help us constitute our inner, private lives and identities; (2) that they manage and circulate creativity; and (3) that they are not only increasingly important sources of wealth and employment in many economies, but also are increasingly central to social and economic life. Meanwhile, the EU has sought to bring culture “in from the margins” to become a focus for regional development and a means of forging a shared European identity. Similarly, the OAS argues that the cultural industries “...constitute a system of multimedia services the field of action of which embraces the entirety of daily life and has a substantial influence on the formation of values, on the selection of priority public issues, on the characteristics of public and nongovernmental spaces, and on the legitimacy of rules and of the players involved. They therefore play a key role in the social and political sphere and in relations within and between states and societies. No less important is their role in constructing an atmosphere, whether favorable or hostile, for regional cooperation and integration.” (OAS, 2001)

Constructing a societal sector draws not only upon economic concepts but also on community studies, human services systems, organizational theory, and public policy analysis. Scott and Meyer (1983) argue that a societal sector includes all organizations within a society supplying a given type of product or service together with their associated organization sets: suppliers, financiers, regulators, and the like. Hirsch (1985) takes a similarly inclusive view that is both multi-level and interdisciplinary but calls it an industry system. In trying to discern an emergent new cultural policy paradigm, Cherbo and Wyszomirski (Cherbo & Wyszomirski, 2000) suggested possible components of a creative sector. Justin O'Connor, in specifying what might be included in a widely conceived field of cultural production, implied that a creative sector would include “the full range of activities from ideas, primary creation, production, distribution, and consumption along with ancillary functions such as management, accountancy, legal services, promotion, marketing, etc.” He also suggests that there are informally organized infrastructures of knowledge and expertise that constitute a “soft” or “critical” infrastructure that includes cultural intermediaries and cultural entrepreneurs who operate across networks and use knowledge of these networks to generate their business or advance their work

The paper proposed here will explore the differences between using an economic or a societal model to establish a sectoral definition. It also offers some preliminary ideas about the possible dimensions of

the creative sector using an industrial organization model versus an occupational/professional model. Examples from a number of national and regional initiatives are used throughout.

Development of the creative sector is an important, complicated and timely subject. For many countries, the cultural industries have been promoted as a leading export sector and a source of jobs in the “new economy”. Creative industry development is also becoming an increasingly common strategy for urban and regional development. Furthermore, the cultural industries can function as both global players but as bulwarks of local identity. Nations as diverse as Canada and Singapore, the United Kingdom and Australia, France and Germany employ the creative sector as a primary purveyor of national images abroad and as a tool of international relations.

Such heightened political and economic interest in the arts and culture is a marked departure from viewpoints common at the end of the 20th century when the arts were often thought of as a small, needy segment of the American socio-economy and public support for the arts was persistently opposed as “trivial” or “a frill.” The popular arts, although recognized as big business, carried the connotation of not being serious business. Likewise arts education has a long history in the U.S. of being extra-curricular, of not being a basic subject, of being one of the first subject areas cut when school budgets are tightened. While this attitude was most apparent in the US, it was not uncommon in other countries where the arts and culture were dismissed “ as ‘mere entertainment,’ or ‘candyfloss’: most certainly not something of ‘real’ value.” (Venturelli, n.d.)

Explanations for why the arts and culture have recently acquired a higher priority on the public agenda, particularly in the form of creative industry development, point to a number of reasons. Some observers point out that “...in the information age, intellectual property has become a key economic resource...” Artists, nonprofit arts organizations, and commercial cultural corporations are not only important generators of intellectual property, but also stewards of vast stockpiles of cultural content in the forms of museum collections, historical archives, and performing arts repertoire (Cherbo & Wyszomirski, 2000b). As Hesmondhalgh observes, the significance of the cultural industries reaches beyond their economic aspects because (1) more than other types of production, they have an influence on our understanding of the world as well as help us constitute our inner, private lives and identities; (2) that they manage and circulate creativity; and (3) that they are not only increasingly important sources of wealth and employment in many economies, but also are increasingly central to social and economic life (Hesmondhalgh, 2002) Similarly, Moneta(2000) argues that the cultural industries “...constitute a system of multimedia services the field of action of which embraces the entirety of daily life and has a substantial influence on the formation of values, on the selection of priority public issues, on the characteristics of public and nongovernmental spaces, and on the legitimacy of rules and of the players involved. They therefore play a key role in the social and political sphere and in relations within and between states and societies. No less important is their role in constructing an atmosphere, whether favorable or hostile, for regional cooperation and integration.” (p. I-1)

Despite the recent, rising tide of interest, even the most basic terminology is unsettled. Some speak of the cultural industries, others of the creative industries, and yet others of the copyright industries. Some focus on the creative class and others on the creative workforce. Some target variable clusters of creative industries, while others conceive of a creative sector drawing on a shared infrastructure and consisting of a multi-industry production system. Indeed, the creative industries recognize little common identity and the public has little awareness of them as a collectivity. This paper argues that the conceptual confusion derives from two primary sources: (1) the implicit use of different definitional criteria for determining which activities are to be encompassed within a creative sector, and (2) the conflation between seeking to establish a baseline or benchmark for measuring effective development and striving to construct a conceptual framework for the design and implementation of development policy initiatives.

The ramifications of these definitional problems are particularly worrisome because cultural industries differ from many other types of industries in fundamental and important ways. For example, few other industries generate products that possess not only public and private economic value but also, as Throsby argues, cultural value along a number of dimensions (Throsby, 2001a). Furthermore, not only the value, but the very nature of cultural products is variable since they can take the form of both a physical object/tangible event and of intangible ideas and reusable content. Another important characteristic of the culture industries is that much of the critical infrastructure of the producing “firms” and creators is external to these organizations and individuals. Finally, it can be argued that the occupations of the creative sector are unevenly professionalized and have little shared identification, either with one another or as part of a broad industrial or sectoral construct. These factors result not only in theoretical quandaries but have real and practical effects on planning and development, on the capacity to mobilize and to evaluate, and on the processes of training and policymaking.

The following discussion will proceed through three sections. Attention will first focus on key issues involved in establishing a working definition. Next, a sampler of creative industry development initiatives will be presented and used to illustrate how definitional issues have been dealt with in practice. Finally, these cases will be used to identify component elements frequently employed in formulating and implementing such development initiatives. Ultimately, the purpose of this exploration is not to propose a blueprint. That would simply be impossible since both the baseline and the developmental goals differ considerably from place to place. Indeed, creative industry development initiatives must not only be highly sensitive to “local” conditions, targets, and resources but must also factor in a more “global” vision of potential competitive advantage. Instead, the intent here is to mine both theory and experience to construct a conceptual model that can be used to clarify key design questions, provide a range of definitional choices, and offer examples of action options.

DEFINING THE CREATIVE SECTOR

The first order of business is to establish a working definition of what might be included in a creative sector. A working definition of the creative sector should help us see the scale, dimensions, variety, and interdependencies of the sector and among its constituent parts. After reviewing a number of national, regional, and community development initiatives in this area, four definitional approaches become evident.

Each of these defining criteria is the subject of an extensive, although seldom synthesized, body of literature. The task of thoroughly reviewing and integrating this large body of research and policy is beyond the scope of this discussion. Awareness of the literature is, however, essential to the development of the conceptual model that is proposed.

Special attention will be given to issues concerning the occupational/workforce dimension because it has acquired greater significance in the information economy, because this topic of research seems more problematic than other definitional dimensions, and because the occupational/workforce perspective is crucial to the creative industries. Indeed, human capital is the key productive factor of the creative sector. Human capital refers to the workers, and the skills, competencies, and talent that they bring to creation, production, presentation and preservation of cultural goods and services. The human capital feature is perhaps the most ambiguous component of a still fuzzy perception of the U.S. creative sector, perhaps because of a tendency to think of creative work as part-time, often underpaid, and largely a matter of innate talent or experience rather than of specialized knowledge or training.

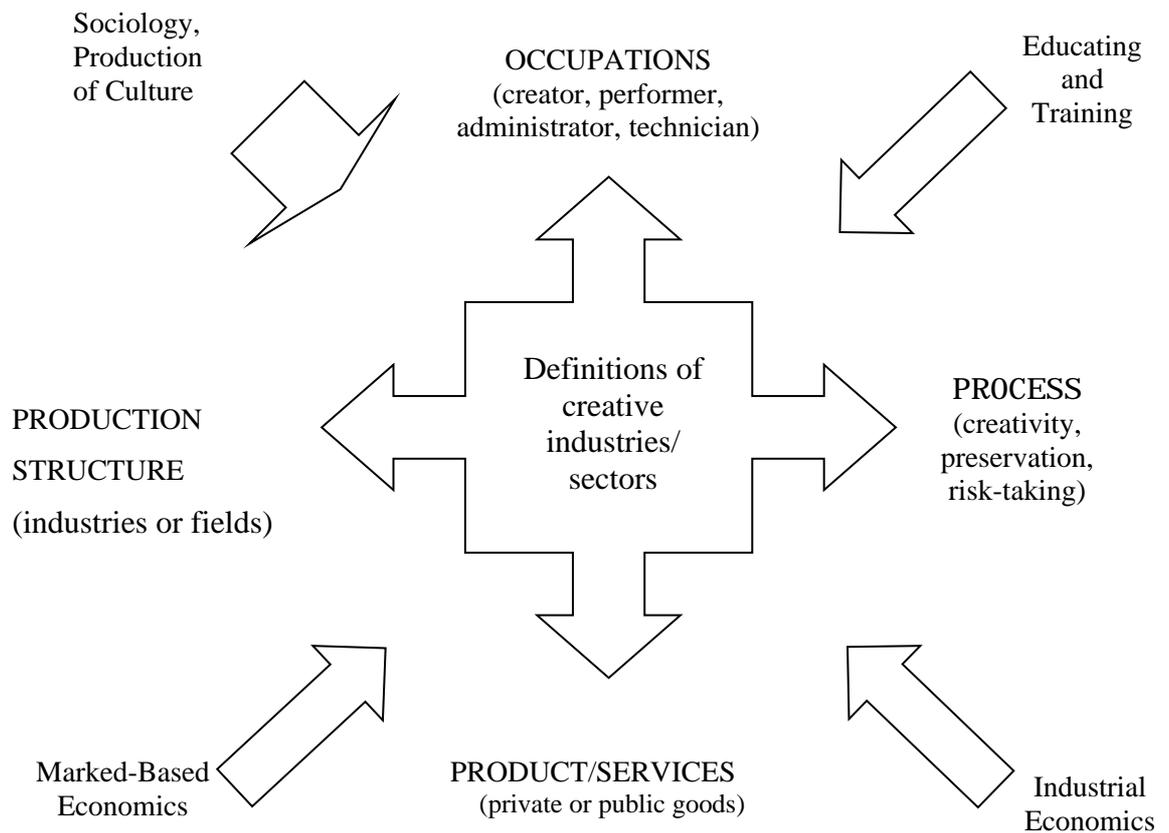
The discussion that follows focuses on definitional questions at two levels. First, it identifies four sets of criteria that have been used to select which activities to include in various studies of and development initiatives designed to advance the cultural/creative industries. Next, attention will turn to a consideration of the three terms that have been employed to describe what these components aggregate into—industry, industrial cluster, or societal sector.

A First Level of Definition: Four Sets of Selection Criteria

Four sets of selection criteria have been used to construct a working definition of the creative industries. As illustrated on Figure 1, each approach can be found at a point of the central diamond. Each approach takes one distinctive characteristic as a vantage point from which to assay the parameters of the sector as a whole. These characteristics are (1) product/service, (2) producing organization, (3) central production process and (4) occupational/workforce groups. Most cultural industry development initiatives implicitly employ the second approach—the producing organization perspective. These initiatives tend to begin with a list of which organizations in what fields and industries are to be included and then gather information that maps key dimensions such as size, distribution, revenues, export activities, employment, and production figures. The utility and problems of each approach are suggested below.

[See FIGURE 1: Definitional Approaches]

FIGURE 1



Wyszomirski, 2004

The product/service perspective must contend with two key concerns: (a) the dual nature of cultural products as simultaneously private consumer goods and as collective public goods and (b) debate over which products are to be considered similar. As to the first question, finding ways to describe, categorize, and measure the “public good” value of arts activities and cultural products has bedeviled economists, sociologists, aestheticians, and policy analysts. On the one hand, a general consensus has emerged that the full value of the arts and culture is not captured by economic assessments of their status as consumer goods, their price, or profitability. In contrast, neither a conceptual consensus nor satisfactory methods have emerged for expressing the noneconomic, or cultural, value of artistic products or creative services. As to the second concern, Caves points out that creative products exhibit an “infinite variety” and can be differentiated from one another both vertically and horizontally. (Caves, 2000) These possibilities range from entertainment to aesthetic experience, from artwork to artifact to event to symbol, and from intellectual property to national patrimony. Chartrand posits an unusually inclusive set of “related” cultural products – including cuisine and funereal makeup – in his conception of the arts. (Chartrand, 2000) This variability has

many implications for the actual production and consumption of cultural products, offering a universe of choices and asserted distinctions to creators, presenters, patrons, consumers, and policymakers.

The producing organization perspective seems to employ different terms for essentially equivalent production clusters. While cultural corporations operating in the commercial realm are commonly referred to as “industries” (e.g., the recording industry or the publishing industry), those operating as nonprofit or subsidized organizations refer to themselves as “fields” (e.g., the dance field or the museum field). Two problems are inherent to this definitional perspective. It tends to artificially separate what might otherwise be considered inter-related components of single industries. For example, commercial theatre (Broadway) is often regarded as separate and distinct from subsidized theatre, yet it is obvious that they influence and inter-relate to one another. Only the former is included in statistics on the copyright industries. Bridging the separate identities and different financing systems of the nonprofit and for-profit components of an inter-related theatrical industry is likely to encounter many obstacles. Similarly, the practice of treating galleries, auction houses, and museums as well as public art commissions and alternative exhibition spaces as distinctive and independent sites of cultural activity is so engrained that it requires considerable effort to see that all could be regarded as part of a single, but complex, visual arts field. Furthermore, the clustering of nonprofit arts organizations in juxtaposition to the entertainment industries has meant that each identifies itself with different types of cultural goods and services.

Third, the central production process perspective seems recently to have attracted attention with analysts as well as practitioners fixing on the process of creativity as a defining characteristic. This is evident in the term “creative industries” itself and in the shift in U.S. political rhetoric on public funding for the arts from a concern with excellence to creativity. (Wyszomirski, 1999) However there are other potentially defining processes to be considered. Certainly in the heritage industries, preservation would seem to be the core production process. Alternatively, Richard Caves has suggested that risk-taking and risk management may be another defining characteristic shared by both commercial cultural industries and nonprofit artistic fields. (Caves, 2000); (Hodsoll, Arthurs, & Lavine, 1999)

Finally, the occupational perspective exhibits a number of tensions and unresolved problems. First, few individuals in these occupations would consider themselves part of a common workforce (Venturelli, n.d.). Indeed, as consultant Malcolm Long observes creative sector workers are Wyszomirski, page 6 “notoriously non-collaborative with each other, living within their separate smokestacks” (quoted in Cunningham, 2001).

Second, the difficulty of perceiving the pattern of a broad cultural workforce from the tapestry of distinctive occupational threads may have been unwittingly exacerbated by commonly used analytical categories and information gathering practices. Figure 2 presents a comparison of major occupational categories common to information collection and analysis in three countries. In many countries considerable research has focused on better defining and understanding the condition of individual artists. Thorny questions about over-counting, under-counting, how to define who is an artist or a professional artist, and which occupational categories to include in the count have preoccupied such efforts, especially since

statistics about artists are notoriously hard to collect. However, in the effort to advance the collection and accuracy of information about individual artists, research has valorized the artistic occupations above all others in the creative sector. In part, this tendency may have been propelled by a romantic notion of the artist as hero and genius (Alper, Galligan, & Wassall, n.d.). In another part, since public arts funding for individual artists has always been precarious, politics may have required extensive justification of the need and the impact of public support for artists.

[See FIGURE 2: Creative Sector Occupational Categories]

In turn, the focus on the core artistic workers has had the effect of widening the identity gap between artists and other cultural workers, who have generally been marginalized as non-creative, including technical, administrative, or educational occupations. Perhaps as a further consequence, information about the professional status, training, recruitment and career paths of other cultural workers such as arts managers, curators, critics, agents, public cultural administrators, or artist educators is even more fragmented and incomplete than information about artists. In the information age, this identity gap is becoming more problematic as digital creativity in the new media arts and the digital distribution of all manner of cultural products is blurring many distinctions between disciplines and production functions. Indeed, as a process-defined focus shifts to creativity, the individual artist remains an essential participant but one that increasingly cannot function effectively without collaborators in other occupations and without a variety of infrastructure supports. Although some cultural workers—especially creators—find it hard to think of themselves as part of a chain of production, it “has become increasingly impossible to produce a cultural artifact alone without the intervention, assistance, guidance, collaboration or hindrance of other people.” (Murdock, 2003)

Third, within each occupational group, there are many sub-categories and it is these sub-categories where workers tend to locate their occupational identity. For example, among artists, there are actors and poets, dancers and painters, directors and choreographers, etc. While all are artists, an individual artist’s specific occupational identity tends to override whatever common interests he/she has with other types of artists. Indeed, in Canadian creative industry initiatives, they do not use a single category of “creative” to define artistic occupations, but instead recognize two groups, “creators” and “interpreters.” Similarly, arts educators tend to think of themselves first and foremost as visual arts or music or dance or drama educators. Meanwhile, the term arts administrator tends to apply to managers of nonprofit arts organizations and programs, even though the category also includes cultural/entertainment industry managers as well as public administrators of arts agencies and programs. The presence of the latter two groups are seldom noted in general discussions of arts administrators. Clearly, these many distinct occupational and field identities make it difficult to conceive of a single, broad, interdependent workforce and, in turn, impede constructive efforts to cultivate this workforce as a matter of explicit policy or planning.

FIGURE 2: CREATIVE SECTOR OCCUPATIONAL CATEGORIES

Australia	US	Canada
artistic	creative/artistic	creators
		interpreters
other cultural	intermediaries	---
technical and support	noncreative	technical
---	Humdrum production*	Administrative

*Terminology used by Caves (2000)

Wyszomirski, November 2003

Fourth, individually none of these occupations has sufficient mass necessary to attract sustained economic or political attention. Without some aggregate construct, it is difficult to generate the kinds of attention and understanding necessary to gain the attention of policymakers and to inform debate about what measures might support and advance the creative industries both collectively and separately.

“...there is a lack of strategic knowledge about the relationships and networks that enable and sustain the creative process in a knowledge economy. These relationships are enabled between the diverse contributors to the creative process towards the achievement of successful outcomes. These relationships are sustained in diverse communities of activity, from project-based/hybrid/virtual organizations to cultural quarters and digital media hubs...One of the key challenges for researchers and policymakers is thus to better understand these crucial dynamics so that insightful and supportive action may be taken. (Jeffcutt, 2001)

Finally, it should be noted that each definitional perspective tends to be associated with a different disciplinary tradition and stream of analysis. Sociologists have developed a “production of culture” approach that seems to focus on elements of occupation and career development as well as organizational and industrial structure and to ask how these shape cultural goods and services. As Richard Peterson notes:

The production perspective is centered in the assertion that the social arrangements used in making symbolic elements of culture significantly shape the nature and content of the cultural elements produced. Thus, the production perspective focuses on how the

content of culture is influenced by the milieu in which it is created, distributed, evaluated, taught, and preserved. (Peterson, 2003)

Put another way, Peterson identifies six facets that characterize the foci of the production of culture approach: technology, law, industry structure, organization structure, occupational careers, and markets. The first three are largely external forces that set a context in which the second trio operate. Included within the purviews of industrial and organizational structure, cultural sociologists have also been keenly concerned with both patronage (meaning support for production) and entrepreneurship (meaning the capitalization of production, distribution and consumption). (DiMaggio & Hirsch, 1976, p.75)

Economists and business administration scholars of different specializations seem to be most interested in questions concerning the market for and marketing of cultural products as well as in the industrial economics and management of production firms. This is also the locus of extensive work on the public goods and public value of the arts and culture. Much of this research has a micro-level focus, examining a particular cultural product (e.g., painting, public broadcasting), the internal culture of a particular artistic organization (e.g., orchestras, theatre or opera companies), the pricing of particular events or artworks, or the production financing of specific forms of entertainment.

Alternatively, those concerned with the training of artists, cultural managers, creative technicians, and arts educators have tended to focus on elements of professional education, pre-professional training, and lifelong learning. Educational psychologists and a variety of inter-disciplinary perspectives have been brought to bear on understanding the processes of creativity, the techniques of preservation, and the calculus of risk-taking.

Layered and Composite Definitions

It is not unusual to see research studies that analytically layer some combination of definitional approaches. For example, the annual reports of the International Intellectual Property Alliance (IIPA) essentially start with a product-oriented selection criterion (i.e., copyright products) which determines the selection of industries (i.e., the copyright industries). (Siwek, 2002) This, in turn, may be combined with an occupational concern to distinguish what proportion of workers in these industries might be considered part of the creative or artistic workforce. For example, looking to define the artistic workforce in Australia, Throsby not only offers a “tight definition” that excludes technical, administrative and support workers, but divides the copyright industries into those which are core creative industries, other cultural industries (like publishing, which produce both cultural and non-cultural goods), and related industries (like advertising or architecture, where the products include a creative or cultural content dimension). (Throsby, 2001b) It should be pointed out, that such layered analysis typically proceed on the assumption that the industrial/field definitional approach is too inclusive, catching products (e.g., newspapers), services (e.g. public relations), or workers (e.g., technical) that implicitly fall outside a process-centered definition of creativity, a product-centered definition of artistic, or an occupational-centered criteria of creative. Such focusing efforts may indeed employ tight criteria on which to premise pre-development baseline and post-development assessment measures, but they tend to obscure a systemic understanding of how the creative industries work, or what outside and infrastructure elements are crucial to their productivity.

Rather than rely on any single perspective to establish the parameters of a creative sector, a comparative application of each defining perspective may result in a composite, and therefore more accurate map than any single perspective can produce. Certainly a comparison of definitional approaches will reveal anomalies and outliers and thus facilitate an informed decision about inclusion or exclusion. For example, a product-oriented definition could consider both contemporary and historic artworks as similar and seem to agree with an occupational-oriented approach that in both cases the artworks were created by the same type of worker (i.e., painters). However from an industrial perspective, the distribution of these artworks is handled by different sets of organizations—commercial galleries in the case of contemporary artworks and museums in the case of the historic artworks. As a result, two different industries would seem to be involved—galleries and auction houses on the one hand, and heritage on the other. Such a distinction would seem to concur with a process-oriented approach in which creativity would be the defining characteristic of the contemporary artwork but preservation would be the defining process concerning the historic artwork. Of course, it could be argued that when first painted, historic artworks were a product of creativity. In turn, this draws attention to the question of when does a cultural product move into the realms of cultural heritage or even national patrimony? Alternatively, the question might be posed as, when does intellectual property turn into cultural property? Without suggesting that there is a single answer to such questions, it is clear that a comparative definitional approach can clarify taxonomic issues that must be addressed in any industrial mapping and development effort. This example also helps to explain why the inclusion of heritage institutions and workers in the creative industries varies considerably from site to site. In practice, the inclusion or exclusion of heritage industries might seem rather idiosyncratic and inexplicable. However implicitly, different definitional perspectives help explain apparently contradictory mapping decisions.

Other processes may exert an inordinate influence upon the operationalization of any industrial or sectoral definition such that the very process of formulating and pursuing a cultural development policy is likely to construct a sector that resonates with jurisdictional conditions and respond to the interplay of political forces. Similarly, the research process of mapping the sector's terrain will impose a shape and character on it, resulting, in part, from the nature and extent of information that is available. This is one reason why it has been so difficult to accommodate various aspects of the public value of the arts and culture—because conceptual measures like legacy value or social capital generation have had to be invented to capture such dimensions.

A Second Level of Definition: Industries, Clusters, Sector

Deciding what products, occupations, and fields are to be considered “creative” as well as what central production process(es) help to guide the construction of a working definition, there is a second level of definitional choice that must be addressed. What is the aggregate to be called? Four terms present themselves: cultural industries, creative industries, creative clusters, and creative sector. This quartet of terms presents the analyst with two fundamental choices: is the term cultural or creative preferable? And is the construct under discussion most accurately conceived to be a set of industries, of industrial clusters, or as a societal sector?

The first category—cultural industries—is both too broad and too narrow. First, the term “culture” may carry too much baggage to be helpful to thinking in new ways. Raymond Williams has observed that the word “culture” is “one of the two or three most complicated words in the English Language (Williams, 1981) p. 76-82.” Its meanings run from a general state or habit of mind to a general state of intellectual development in society as a whole; from the general body of arts to a whole way of life, material, intellectual and spiritual. The last meaning of the term is sometimes referred to as an anthropological sense of culture. The first is sometimes taken to mean “Culture” with a capital “C” and connotes a sense of elite participation and appreciation. Sometimes the two terms, “arts” and “culture”, have been used interchangeably. Sometimes “the arts” refers to a fairly identifiable subset of “culture”.

Given the lack of parsimony of the anthropological sense of the term “culture”, combined with the elite connotations of “culture, and the international usage of the term “cultural industries” to virtually mean commercial cultural activities, it would be misleading to try to use the term to describe a broad and variable range of activities that has come to be the subject of recent development initiatives.

Although the term “industries” is obviously a plural and can be used as a collective, when combined with the descriptor “cultural”, the term has an established usage that would probably result in confusion rather than clarity. In many places, such as Canada or UNESCO, what in the U.S. is called the entertainment industries are referred to as the “cultural industries.” Sometimes both the “high arts” and the cultural industries of film, broadcasting, and book/periodical publishing were state subsidized and operated. Sometimes this support was an historical artifact: such institutions and industries had roots in monarchical charters and aristocratic patronage and thus were presumed to be state responsibilities. In other cases, cultural production was intimately tied to national identity, hence cultural industries not only produced consumer goods and services but these embodied and strengthened the public goods of national identity and social cohesion: as such, they fell under public jurisdiction. (Shapiro & Miller, 1999) However, until quite recently, neither the term “cultural industries” nor a de facto industrial development policy have had much purchase in the US or in the UK.

Two related terms build on the cultural industries idea and expand it from an essentially producing organization perspective. A more inclusive product/services definition is “the entertainment industries” which includes not only the usual cultural industries of film, broadcasting, sound recording and publishing, but adds gambling, electronic games, and other leisure activities like theme parks and sports. (Vogel, 1998) A second more inclusive definition is based on a different concept of similar products — intellectual property. These “copyright industries” again include the “usual” cultural industries as well as computer software, legitimate theatre, music publishing, and advertising. (Siwek, 2002)

Each of these collective industry labels presents analytical problems. Heritage organizations and professionals as well as those in the subsidized arts are likely to exclude themselves from the “entertainment industries” because they see themselves as producing dissimilar products (i.e., aesthetic experiences, artworks, and artifacts). Conversely, the failure to include the

subsidized arts in the “copyright industries” can have the effect of misdirecting attention only to those creative industries that are copyright-based when, in fact, other creative fields also operate within a copyright environment. For example, subsidized music performance institutions like orchestras may not be copyright based, but some have partial copyright interest through their recordings and all operate within a copyright environment where the issue of public domain access to certain repertoire is an important factor in management and programming.

Alternatively, the collective use of “industries” might be combined with the descriptor “creative,” hence the creative industries label. Indeed, this is beginning to gain usage in many nations and communities. For example, Caves defines the “creative” industries as those that “supply goods and services that we broadly associate with cultural, artistic, or simply entertainment value. They include book and magazine publishing, the visual arts (painting and sculpture), the performing arts (theatre, opera, concerts, dance), sound recordings, cinema and TV films, even fashion and toys and games.” (Caves, 2000) p.1) Clearly, the term “creative industries” is based on the processoriented definitional approach, using creativity as its primary selection criterion.

Colin Mercer (2001) argues that use of the term “creative” turns on the “recognition of creativity...as a universal human capacity that has a special though by no means exclusive, relationship to the cultural sector...These connections position the creative industries strategically as crucial components of the strongly emergent ‘knowledge economy’ and as, importantly, an industry like no other that generates products and values that have a significance far beyond their economic currency.” In the U.S., creativity seems to be replacing “excellence” as a key standard for assessing artistic merit as well as becoming a desirable trait in the general workforce.

Relying on the creativity process has the advantage of using a definitional approach that easily bridges the historic divide between nonprofit/subsidized arts and popular culture/entertainment/ commercial arts. It also emphasizes a key similarity among distinct fields and industries such as dance and theatre or broadcasting and film. In this sense, the term “creative” seems much preferable to the term “cultural”. However, in another sense , the term could be seen as too broad. Critics point out that creativity is not restricted to the arts and culture, but can be found in other endeavors such as science. It could be argued that while creativity, innovation, and entrepreneurship are related phenomenon, their usage seems to concentrate in different areas of endeavor. The arts tends to use creativity, science tends to prefer innovation, and business is most likely to use the term “entrepreneurship.”

Another term is “clusters”. The chief advantage of this word is that it clarifies the collective meaning of “industry.” Clearly, clusters are a collection of multiple and related industries. Perhaps the most prominent usage of this term can be seen in the work of the New England Council on its “Creative Economy Initiative.” It presumes that the components of a cluster share at least three characteristics:

1. Closely related product lines (e.g., musical performance and sound recording industries),
2. Shared markets (such as museum members and patrons of commercial galleries)

3. Common resource needs (e.g. actors or designers who work in both nonprofit and commercial cultural industries) (New England Council , 2000)

Apparently the idea of clusters has gained currency in the economic development community –an advantage is securing the attention of that policy community, particularly at the local level. However, the term seems clumsy and vague for usage at the national level. Indeed, countries like Canada, the UK, or Australia, which have undertaken national development initiatives tend to employ the notion of clusters to designate sub-sectors for targeted development strategies, using different tactics to address different needs and goals.

The final terminological option is “creative sector”. The definition of a sector may rely on economic concepts or draw on ideas about sociological structures and human service systems. A sector can even be defined through the political processes of formulating a public policy and coalescing a policy community. However it is accomplished, a working definition is crucial to efforts to develop a sector as a matter of public policy. Adam Friedman, and executive director of a New York City economic development organization, offers an economic definition of a sector and its utility as a development focus:

A sectoral approach to economic development...seeks to foster and support an entire industry through broad-based collaborations within an economic sector...and can be an effective way to improve an industry’s overall competitiveness, to anchor that industry to the surrounding community, and to assist small and medium-sized businesses, which are the generators of new jobs but have long received scant attention from economic development policymakers. (Friedman, n.d., ¶ 3.)

This would seem to use the term “sector” as designating something between an industry (in the collective sense) and a cluster (in the sense of the interrelatedness of its components). The New England Council study prefers the term “economy”—as in what it calls “the creative economy” but often uses the words “economy” and “sector” interchangeably. (New England Council, 2001, p. 6) The term “sector” also has the advantage of established used in economic analysis where it is common to speak of entities like the manufacturing sector, or the health care sector.

Exploring the Concept of a Creative Sector

Economically, a sector is a cluster of related industries supplying a given type of product or service. To determine the parameters of an economic sector, analysts must decide which industries are “related” and what constitutes “similar” products or services. In the case of the creative industries, this can raise a number of thorny questions, the resolution of which will most likely involve forging a consensus within the cultural policy community. In turn, the character of this consensus is likely to assume slightly different shapes in each country as it accommodates variations in heritage, taste patterns, and cultural production systems. In each instance, however, sector dimensions will require a close and comparative look at industrial organization, occupational and professional categories, and types of products and services.

Figure 3 identifies seven possible industrial sectors/clusters of a creative sector:

- (1) There are many sole proprietorships, small businesses and independent contractors engaged in arts and cultural production, so this model places them at the “industrial” core; encircled by
- (2) the for-profit popular culture and entertainment industries of Broadway, film, television, sound recordings, and fiction publishing;
- (3) the design industries including graphic and fashion, architecture and the rapidly growing set of new media design activities (Batt, Christopherson, Rightor, & Von Jaarsveld, 2001);
- (4) the non-profit fields of the live performing arts, fine art production, and literary publishing (Galligan, 2001);
- (5) public sector art agencies that directly operate or fund cultural production facilities and organizations such as public arts centers, concert houses or some museums;
- (6) the cluster of informal, unincorporated and/or community-based organizations that facilitate amateur, experimental, collecting, or culturally specific cultural production and engagement; and
- (7) the set of heritage resources and organizations that may operate in either the public or the nonprofit sector such as museums, historic houses and sites, artifact collections, or ethnographic resources.

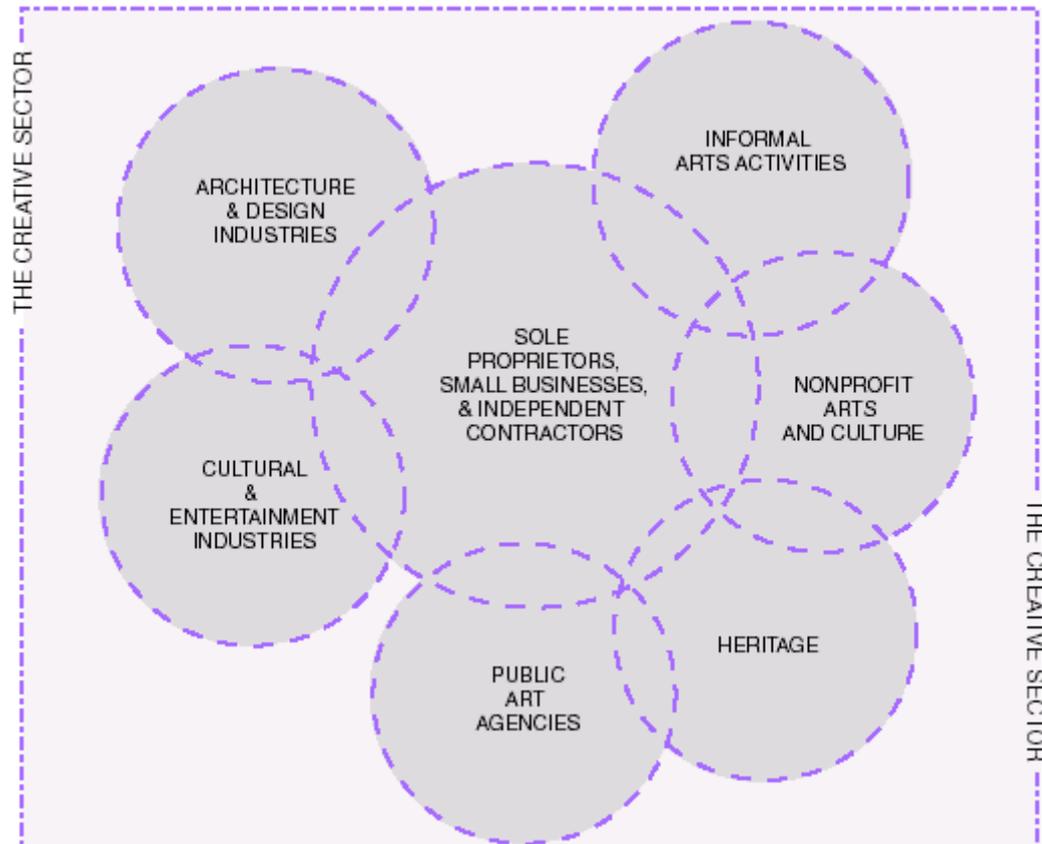
[See FIGURE 3: An Industrial Cluster Perspective]

As pictured in Figure 3, each of these industrial sectors is of roughly equivalent size. In reality, the relative sizes and the overlap among clusters will vary from country to country and even from region to region within a specific country. At this point of the discussion, the conceptual task requires casting a broadly inclusive “net” rather than establishing the exact dimensions of the sector by deciding which industries are included or excluded, the dimensions of each, and the rationales for those decisions. Indeed, the primary purpose of this model is to illustrate that all of these industrial clusters –each of which has been regarded as separate and distinct are, in fact, related to one another.

If these relationships are recognized, then the scale and significance of arts and cultural activity and production is far greater than is generally appreciated. In the US, these aggregate into one of the largest economic sectors of the economy. In the UK, it is one of the fastest growing sectors and one targeted for development as a matter of national policy. Canada considers culture not only to be a vital national industrial sector but one of the “three pillars” of its foreign policy. A recent Organization of American States report noted that “In several European countries (France, Britain, Germany, Spain), the cultural sector accounts for 3 percent or more of GDP and similarly high percentages can be found in certain Latin American countries, such as Brazil, Mexico, Colombia, and Argentina.” (Moneta, 2000) Nations like Singapore, Taiwan and Australia have also initiated policies to develop their creative industries, cultural identities, and international images.

FIGURE 3: AN INDUSTRIAL CLUSTER PERSPECTIVE

Wyszomirski (November, 20



Using the proposed economic model of a “creative sector” also alerts us to the fact that in the “new economy” the creative sector occupies a more important position in national—and global— economies today than it did just a few years ago. Hesmondhaugh (2002) observes that, since the early 1980s, “the cultural industries have moved closer to the center of the economic action in many countries and across much of the world. Cultural industry companies can no longer be seen as secondary to the ‘real’ economy, where durable, ‘useful’ goods are manufactured.” Similarly, Venturelli (n.d.) argues that “culture can be seen as the key to success in the Information Economy, because for the very first time in the modern age, the ability to create new ideas and new forms of expression forms a valuable resource base of a society.” Elsewhere, Wyszomirski (2002) has pointed out that “...in the information age, intellectual property has become a key economic resource...” (p. 200). Artists, nonprofit arts organizations, and commercial cultural corporations are not only important generators of intellectual property, but also stewards of vast stockpiles of cultural content in the forms of museum collections, historical archives, and performing arts repertoire.

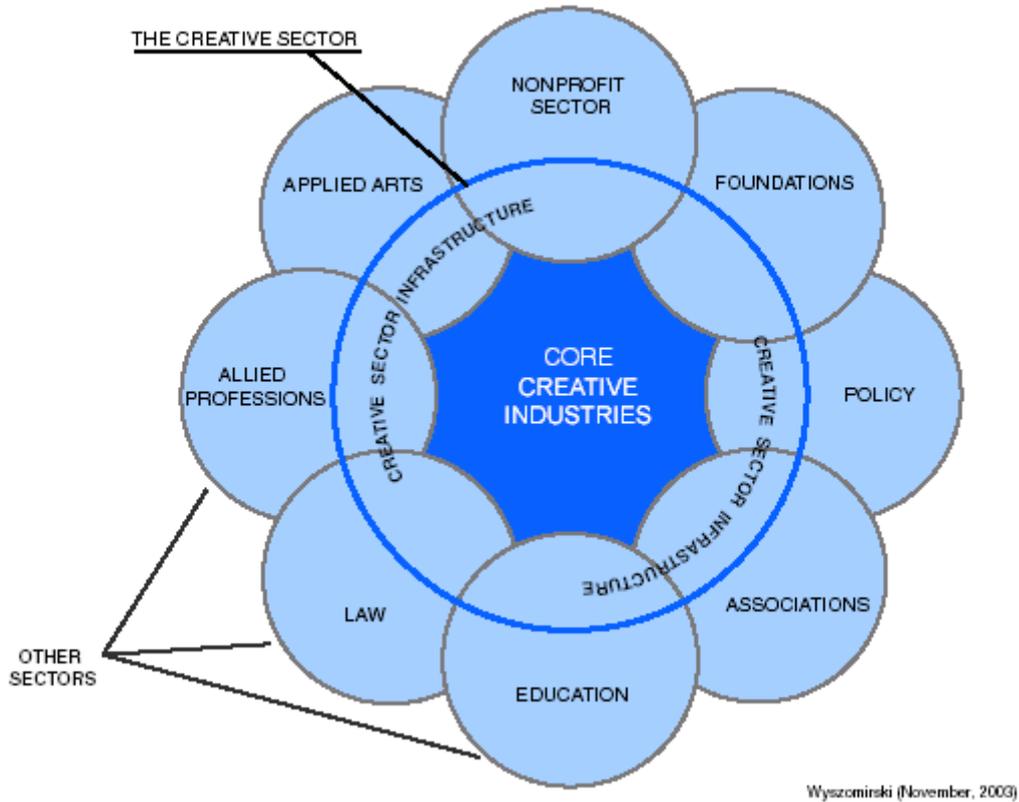
From a societal perspective, a sector is broader than an economic sector. Constructing a societal sector draws not only upon economic concepts but also on community studies, human services systems, organizational theory, and public policy analysis. Scott and Meyer argue that a societal sector includes all organizations within a society supplying a given type of

product or service together with their associated organization sets: suppliers, financiers, regulators, and the like. (Scott & Meyer, 1983) Hirsch takes a similarly inclusive view that is both multi-level and interdisciplinary but calls it an industry system. (Hirsch, 1985) In trying to discern an emergent new cultural policy paradigm, Cherbo and Wyszomirski (2000a) suggested possible components of a creative sector. O'Connor (n.d.), in specifying what might be included in a widely conceived field of cultural production, implied that a creative sector would include "the full range of activities from ideas, primary creation, production, distribution, and consumption along with ancillary functions such as management, accountancy, legal services, promotion, marketing, etc." He also suggests that there are informally organized infrastructures of knowledge and expertise that constitute a "soft" or "critical" infrastructure that includes cultural intermediaries and cultural entrepreneurs who operate across networks and use knowledge of these networks to generate their business or advance their work. Finally, the New England Council notes that surrounding the core cluster of creative industries "...is a rich infrastructure of public and private entities that both supports and benefits from the existence of a vital creative economy." (New England Council, 2001, p. 6)

[See FIGURE 4: Creative Sector: A Societal Perspective]

As illustrated in Figure 4, a preliminary model of the creative sector as a societal sector would place the seven clusters of creative industries identified previously at the core. Arrayed around this core would be an infrastructure of supportive services and resources. Infrastructure services may be educational, legal, or representational; they might also include specialized intermediary, licensing, and brokering services. Resource supports might concern funding, authority, facilities or information and analysis. Another part of the infrastructure would include activities and organizations that regulate and/or foster the creative sector (such as government policies at all levels or the broad nonprofit sector). Finally, one must include some part of the activities and industries that apply or use the arts, thus extending the economic and societal effects of the arts and culture beyond the creative sector itself. Applied or interactive effects might include advertising, design, therapy, and tourism. As the New England Council study observes, the creative sector "...is unique in the extent to which it has an impact on industries outside the cluster... " as well as in how "...closely [it] interacts with other industries to create or enhance their products." (New England Council, 2001, p. 6)

FIGURE 4: CREATIVE SECTOR: A SOCIETAL PERSPECTIVE



In contrast to the economic perspective that tends to focus on industrial organization, a societal perspective requires a close examination of the occupational dimensions of the sector. It could be argued that human capital is the key productive factor of the creative sector and technology is becoming the key distribution element. Human capital refers to the workers, and the skills, competencies, and talent that they bring to creation, production, presentation and preservation of cultural goods and services. In the U.S., the human capital feature is perhaps the least visible component of a still fuzzy perception of the creative sector. Advocates have long recognized the value of economic impact arguments in securing public funding. As part of these arguments, proponents point to the number of jobs generated by cultural industries and activities, but seldom give concerted attention to the range of occupations included in employment figures or to the education, training, and career development involved in sustaining a creative sector workforce. Analysts have to ask what occupational categories outside of the creative industry clusters allow those industries to function productively and effectively (See Figure 5 for examples). These include parts of the education sector, where relevant occupations that might range from those who train artists privately or at conservatories to those who train arts managers. Similarly, workers in allied and applied industries draw our attention to a number of occupations that are generally not included in an occupational approach that focuses on artists. This group includes critics, art therapists, and some part of the advertising and publishing industries as well as and a variety

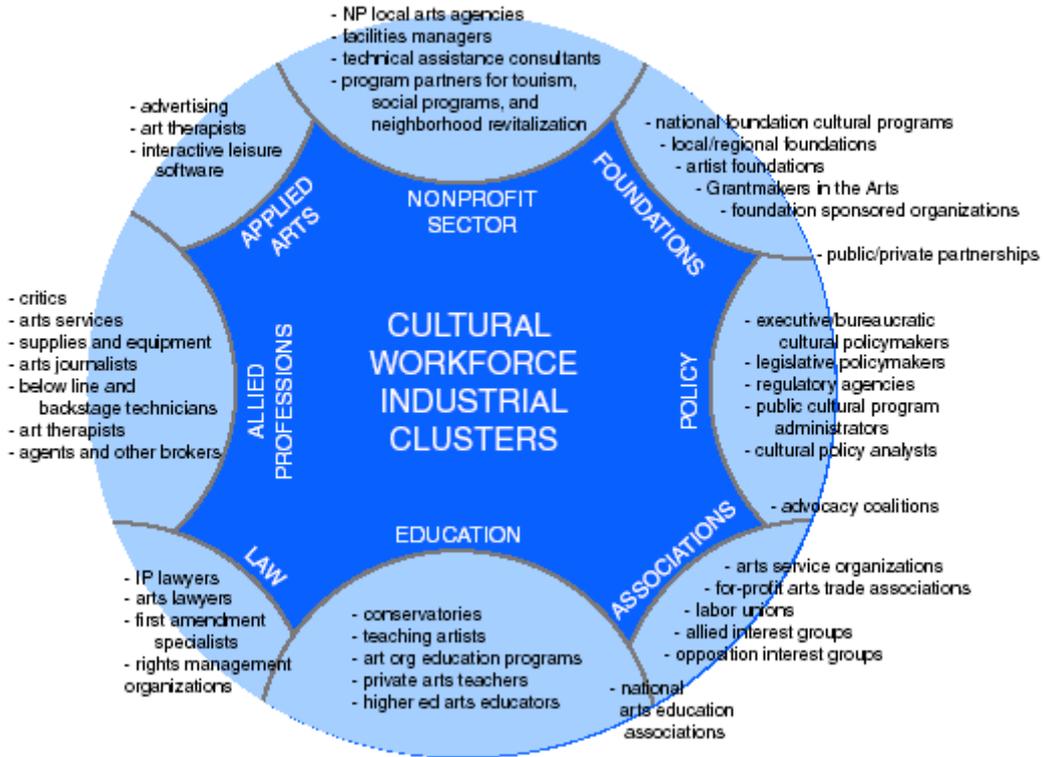
of occupations and businesses that provide supplies, equipment and repairs to the cultural industries.

[See FIGURE 5: Occupations Of The Creative Sector: A Societal Perspective]

Information about workers in the infrastructure of the creative sector is no where nearly as well developed as that on artists. For example, there is little reliable information about the dimensions, characteristics or career patterns of even key professional groups like arts managers or arts educators. Even less information has been gathered and analyzed concerning workers in the allied and applied occupations or in the legal, foundation and policy components of the sector's infrastructure. However, if a clear and comprehensive picture of the creative sector is to emerge, information-gathering must be guided by a conceptual framework that views the sector not only as a collection of industries and organizations, but as an inter-related workforce spread across many occupational sites, including a variety of highly-skilled professionals in a labor intensive segment of the knowledge economy.

Development of such a perspective will, itself encounter many obstacles. First, few individuals in artistic or creative infrastructure occupations consider themselves part of a common workforce (Cherbo & Wyszomirski, 2000). As Cunningham (2001) has observed with regard to this problem in the Australian context: "The arts, culture and creative industry sectors will need to get used to thinking of themselves and acting as part of a broader coalescence of interests encompassing the content-rich service industries such as education and learning, publishing, design, communications devices, and e-commerce.

FIGURE 5: OCCUPATIONS OF THE CREATIVE SECTOR: A SOCIETAL PERSPECTIVE



Wyszomirski (November, 2003)

Second, within each occupational group, there are many sub-categories and it is these subcategories with which workers tend to establish their occupational identity. For example, among artists, there are actors and poets, dancers and painters, directors and choreographers, etc. Workers in applied fields also tend to have distinct identities as architects or designers. While all are artists, an individual artist's occupational identity tends to override whatever common interests he/she has with other types of artists. Similarly, art educators often identify most strongly with the level of the education system in which they work (e.g., preK-12 and Higher Ed). Nonprofit arts administrators tend to segment and organize their professional identities according to field (i.e., museum directors, symphony orchestra managers, directors of theatre or dance or opera companies, etc.) or to cluster around common organizational functions (such as development directors, marketing directors, education program coordinators, etc.). Managers in the subsidized and the commercial creative industries seldom identify with one another.

Yet cultivation of a shared workforce identity may be essential to the development of the creative sector since, individually, since none of these occupations has sufficient mass necessary to attract sustained economic or political attention. Clearly, these many distinct occupational and field identities make it difficult to conceive of a single, broad, interdependent workforce and, in turn, impede constructive efforts to cultivate this workforce

as a matter of explicit policy or planning. Without a sectoral perspective, it is difficult to generate the kinds of information and understanding necessary to inform policymakers about measures that could support and advance the creative sector both in whole and in its parts.

DEVELOPING THE CREATIVE SECTOR: EXAMPLES

In recent years, many countries and communities have recognized the potential of the knowledge economy and begun to invest in the development of their creative sectors. Different initiatives have been premised on different definitional criteria, focused on different sub-sectors or industrial clusters, and used different development tactics. A few examples are briefly described here to provide readers with a factual base before this paper uses such examples to deduce what seems to be development planning process implicit to such initiatives.

The Entertainment Industry Development Corporation/the Entertainment Training, Research and Education Initiative. In 1994, the Alliance of Motion Picture and Television Producers issued the report, “Stimulating Entertainment Industry Growth in California.” This report quantified the economic impact of the film production industry in California for the first time and began a process of identifying what public policy actions might support the continued growth of this entertainment industry. In 1995, the Los Angeles County and the Los Angeles City film boards merged to form the Entertainment Industry Development Corporation (EIDC). The EIDC worked in partnership with the motion picture industry to facilitate and develop film projects in the Southern California region, particularly by providing information and assistance in obtaining the necessary permits. In other words, the EIDC was to provide regional support services to facilitate film production—it was creating a one-stop piece of infrastructure that would help the industry operate more efficiently. A few years later (1997), EIDC consolidated the management of a number of privately run educational and job training programs—piece of infrastructure that had been identified by the industry as a key factor to its continued growth. This program consolidation became part of the Entertainment Training, Research, and Education (EnTRE) Initiative. (EIDC, 2004) EnTRE focuses on a set of workforce development strategies including:

- 1) a research and dissemination project that provides information and publications concerning “jobs, occupational requirements, portfolio development, links to employers, training institutions and other industry specific websites and publications.” Initial efforts to investigate workforce issues were supported by a coalition involving the industry, the California Employment Training Panel, the North Valley Private Industry Council, and the Los Angeles Private Industry Council. They supported the creation of SkillsNet—a mechanism for using research to improve linkages between employers, training institutions and potential workers. The research also resulted in two occupational studies: *Making Digits Dance: Animation and Visual Effects Careers in the Entertainment Industry* and *Amazing post: Post-production in the entertainment industry*. (SkillsNet, n.d. a.; SkillsNet, n.d. b.)
- 2) Development of a set of New Media/Entertainment Academies in local high schools that would integrate entertainment industry skills and knowledge into the regular high school curriculum, thus making school more relevant to potential entertainment industry workers about to enter the workforce. Initially, this was a collaborative project between Workforce LA, the film production industry Alliance, and various

regional high schools. By 2003, this program involved nine high schools and had received \$2.6 million in the form of a Federal Technology Challenge Grant as well as other financial support and the assistance of industry volunteers.

- 3) A retraining program for entertainment industry professionals offered through the State of California Employment Training Panel which provides funds to retrain workers in businesses threatened by out of state competition.
- 4) Coalescing a network of community-based organizations that help young people gain exposure to the employment prospects in the entertainment industry and/or help ease access for those groups who might currently be under-represented in the industry. These include organizations that conduct summer, mentoring, and after-school programs for primary and middle school students in activities like animation, script-writing, video production, and digital arts.

EIDC provides an example of an industrial cluster—film production—acting as a whole to undertake mapping research and identify industry development needs. Key needs concern traditional production facilitation mechanisms as well as workforce development. Over time, the original industry group expands into a public-private partnership involving a number of preexisting agencies and organizations as well as newly created organizations and initiatives to plan and implement a series of workforce development projects.

The Canadian Cultural Workforce Projects. In the 1980s, the Canadian government began a series of actions and initiatives aimed at developing the cultural workforce. The key starting point was a joint proposal of the Canada Council (Arts) and the Canadian Employment and Immigration Council (CEIC) to designate cultural industry occupations as “national occupations” under the National Training Act in 1984. This designation allowed the CEIC to direct over \$47 million to training programs, job creations programs and special employment initiatives in the creative sector. It also supported the development of full-time arts administration training programs in Canadian institutions of higher education. The CEIC defined the cultural sector as including three clusters of industries: the arts (performing, visual, literary), heritage (museums, galleries, archives, libraries), and cultural industries (broadcast, film, sound, publishing).

Later, the Canadian Conference of the Arts (CCA), a national, non-government art service organization representing artists, cultural workers and cultural organizations across Canada, used seed money from the sectoral development initiative program of Human Resources Development Canada (HRDC) to advance three interrelated projects concerning the cultural workforce. In 1991, the CCA established a Human Resources Planning Committee to guide the research and planning process. It also managed a training initiative that provided financial support for artists and cultural workers in all cultural fields to undertake job training and skills updating. Early in 1993, the Planning Committee expanded to include not only representatives of the major arts disciplines and cultural industries (both producers and workers, including the self-employed), but also government officials and evolved into the Cultural Human Resources Council (CHRC). Meanwhile, two complementary research projects were launched:

- (1) studies of five cultural subsectors which “documented the characteristics of work and training...;identified emerging trends, including occupations in which training needs

[were] changing and gaps which exist in current training and professional development opportunities; and established priorities for action to address career needs..”(CHRC, n.d.); and

- (2) the first extensive survey of the cultural labor force undertaken by Statistics Canada. This survey targeted 201,000 paid and unpaid career-oriented individuals working as artists, administrators, professionals and technicians working in the cultural sector.

More recently, CHRC undertook the Creative Management project to development and implement a “comprehensive human resources strategy for professional management personnel in the cultural sector” (Harvey, 2002, p. 7), calling “leadership and succession planning critical priorities.” (p.6) This project involved a cultural sector study update to the reports of the mid-1990s as well as the creation of a Portfolio Arts Policy Committee with representatives from the Department of Canadian heritage, Canada Council for the Arts, the National Arts Centre, the National Film Board, the national Gallery, the Canadian Museum of Civilization, the National Library and the National Archives. The Project issued its final report in July 2002, “Creative Management in the Arts and Heritage: sustaining and Renewing Professional Management for the 21st Century” and a policy summit was held in November of 2003.

In this set of cultural sector initiatives, we see the Department of Canadian Heritage, working in collaboration with various nonprofit, foundation, professional, business and educational groups. The initial definition of the sector emanated from the producing organization perspective and then overlaid this with an occupational definition. A critical early step was the pursuit of a number of research and information effort that would inform and help mobilize inter-sectoral partnerships designed to develop and strengthen its creative sector workforce. Not only was an action plan drawn up for sustaining and renewing arts and heritage management capacity across the sector, but the development of public-private partnerships was promoted for four creative industry clusters (visual arts and crafts, audio-visual and live performing arts, literary arts and publishing, and music and sounding recording).¹ The initiatives also involved the creation of a new national arts service organization –the Cultural Human Resources Council– in 1995 with the financial assistance of the Canadian department of labor (Human Resources Development Canada) to ongoing provide leadership, project management, and career development services for the cultural workforce.

The Creative Industries Initiative in the United Kingdom. In the case of the United Kingdom, the government has pursued an explicit effort to put creative development on the national agenda, to undertake a series of research and consultation projects to identify problems, to build resources, and launch specific projects and programs. Starting with the establishment of the Creative Industries Task Force by Prime Minister Blair in 1997, representatives from across government were brought together to investigate strategies of sustainable growth in

¹ Human Resources Development Canada commissioned 50- to 80-page detailed reports on each industry cluster from various consulting firms and published the results in 1994. These include “Work in Progress: Human Resource Issues in the Visual Arts and Crafts” by Price Waterhouse; “Word in Progress: Human Resources Issues in the Literary Arts and Publishing Industry” by the Briers Group; and “Staging the Future: Human Resource Issues in the Audio-Visual and Live Performing Arts Industry” and “Sound of the Future: Human Resource Issues in Music and Sound Recording” by Ekos Research Associates.

the creative industries. The creative industries were defined as “those industries 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. This includes advertising, architecture, the art and antiques market, crafts, design, designer fashion, film and video, interactive leisure software, music, the performing arts, publishing, software and computer services, television and radio.” (DCMS, 2002)

Taking a sectoral approach has allowed the UK to develop a systemic or ecological approach to development of the creative sector and has encouraged it to evolve an ambitious, integrated approach that builds “creative partnerships” within the national government; between national and regional governments; between the subsidized arts community, voluntary arts and cultural organizations, and the commercial cultural industries; between education (including basic, higher and vocational) and culture; and between trade, education, and culture policies. The processes of issue identification and coalition/network development have been complex and extensive.

Subsequent efforts have involved educational policy and export development programs (CIEPAG, 1999), as well as creative industry development strategies. For example, a Creative Industries Higher Education Forum draws together members of government, creative industries and higher education to develop a shared vision on the interrelationship of the creative industries, education and research. The development of new partnerships between particular creative industries and education and training providers is encouraged and is being channeled through the creation of sector skills councils (SSCs) such as Skillset (the Sector Skills Council for Broadcast, Film, Video and Interactive Media) or Metier (the designated the National Training Organization for arts and entertainment) (Skillset, 2002; Metier, 2001) Concurrently, proposals have been developed “to remove many of the obstacles that currently frustrate the development [of artists, arts managers and cultural entrepreneurs] and to create a more supportive structure which will free their creative potential,” making it easier for individual artists and small business to gain access to funding, expert advice, protection of intellectual property, facilities, networking with similar organizations, and skills development.

Other Creative Industries Development Projects. One can also identify a number of other development initiatives that target a particular cultural industry or a particular development goal.

1. The French Music Export Bureau—created in 1993 at the initiative of record producers with the support of public authorities and other professional music industry organizations. This nonprofit organization aims to promote French music abroad in what it calls a “world dominated by anglo-saxon music.” It provides advice, referrals and information to create worldwide links to facilitate the export of French music recordings and touring. The Bureau has offices in Paris, London, Berlin, and New York. It reports that French record sales abroad have risen from 1.5 million (1992) to more than 39 million (2000). Activities also include the publication of a newsletter, using French music export to also promote cultural exchange and the French language, assisting the participation of French-language artists in major

festivals, educational initiatives, and the creation of a European policy for the music industry. (French Music Export Bureau, n.d.)

2. State Arts Partnership for Cultural Participation (START) –is an audience/market development project involving 13 state arts agencies (SAAs) and supported by the Lila Wallace Readers Digest Fund. The START project was initiated in 2001 and employs three strategies:

- direct grants to select state arts agencies to develop new or enhanced standards and practices that lead to greater participation in the arts;
- targeted research and expertise to help SAAs launch and evaluation efforts to design and implement statewide participation building activities; and
- shared technical assistance, training, and dissemination efforts to inform and transfer START learning to all 56 state and territorial arts agencies of the U.S.

A leading START participant is the Ohio Arts Council which had undertaken a broad-gauged research project to acquire a detailed assessment of Ohio arts industries, workforce, participation levels, and public perceptions. The results were released in the State of Ohio's Arts Report (SOAR) in 2001 and became a data resource used by five sites around the state to develop community development plans for their local arts industries. Typically, local site development efforts involve public-private partnerships that involve representatives of the creative industries, government official, community development agencies, and local business interests which develop and implement local development plans.

The Texas Music Office (TMO) opened January 20, 1990 with a legislative mandate “to promote the development of the music industry in the state by informing members of that industry and the public about the resources available in the state for music production.” The TMO is a state-funded business promotion and information clearinghouse for the state's growing music industry. It publishes the annual Texas Music Industry Directory, that includes listings on artistic management and representation, music instrument cases, audio engineers, recording studios, promotion and touring services, music education organizations, booking agents, photographers, instrument sales and repair services, arrangers, rehearsal studios, unions, sheet music suppliers, concert and event production, lighting services, disc jockeys, record labels, venues, advertising, video/cassette, compact disc production and duplication, music publishing, record stores, ticket outlets, and music archives. It assists more than 14,000 individual clients each year, ranging from a new band trying to make statewide business contacts, to BBC journalists seeking information on Down South hip hop. It facilitates the music business in Texas by researching the state's music industry, then publishing the results both online and in print, distributing it to 13,000 bands / businesses, and then assisting clients with their individual projects. (Office of the Governor of Texas, 2004)

The Texas Music Office is complemented by local music promotion activities such as the Austin Music Marketing Office in the city's convention and tourism bureau. (Austin Convention and Visitors Bureau, 2004)The Austin Music Marketing Office also acts as a liaison between the music community and city government. The Office staffs the Austin Music Commission and books music to open every city council meeting. (City of Austin, 2004a) The

Austin office has produced a research report on “The Role of Music in the Austin Economy” which not only mapped the dimensions of the music industry in Austin by identified major issues affecting musicians including job placement, health issues, housing concerns, and the need for an information clearing house. Claiming that traditional; economic impact analyses of the arts in Austin did “not tell the full story” (City of Austin, 2001, p. 3), the report was designed “to better understand how to enhance and support the role of music in Austin’s economy, ...” to measure the economic impact of the music industry, to evaluate factors shaping the status of music in Austin, and to suggest policy options to help enhance and promote local music. (p. 4) The City of Austin also offers a Music Industry Loan Guarantee Program to strengthen local music businesses. The City allocates over \$200,000 to the program which underwrites 50% of bank loans to music-related firms. (City of Austin, 2004b)

DEVELOPING A CREATIVE SECTOR INITIATIVE

The previous sections have established a basis for modeling the process of developing a creative sector initiative. First, the definitional issues involved in mapping the dimensions of the creative industries and in conceiving a creative sector were surveyed. Next, an assortment of creative industry development initiatives was discussed. Now, the discussion turns to identifying common practices and components involved in developing a creative sector initiative.

[See FIGURE 6: Developing a Creative Sector Initiative]

Steps in the Development Process. Figure 6 presents the component elements of a creative sector development initiative. It is often believed that a research effort to map the creative industries or sector is the first step in this development process. However, this is not really the case. Indeed, the tendency to rush into a mapping exercise without explicit attention to pre-mapping tasks emerges as a common, but avoidable, mistake that can confuse and complicate later development plans.

Five pre-mapping tasks emerge from an examination of the various cases surveyed:

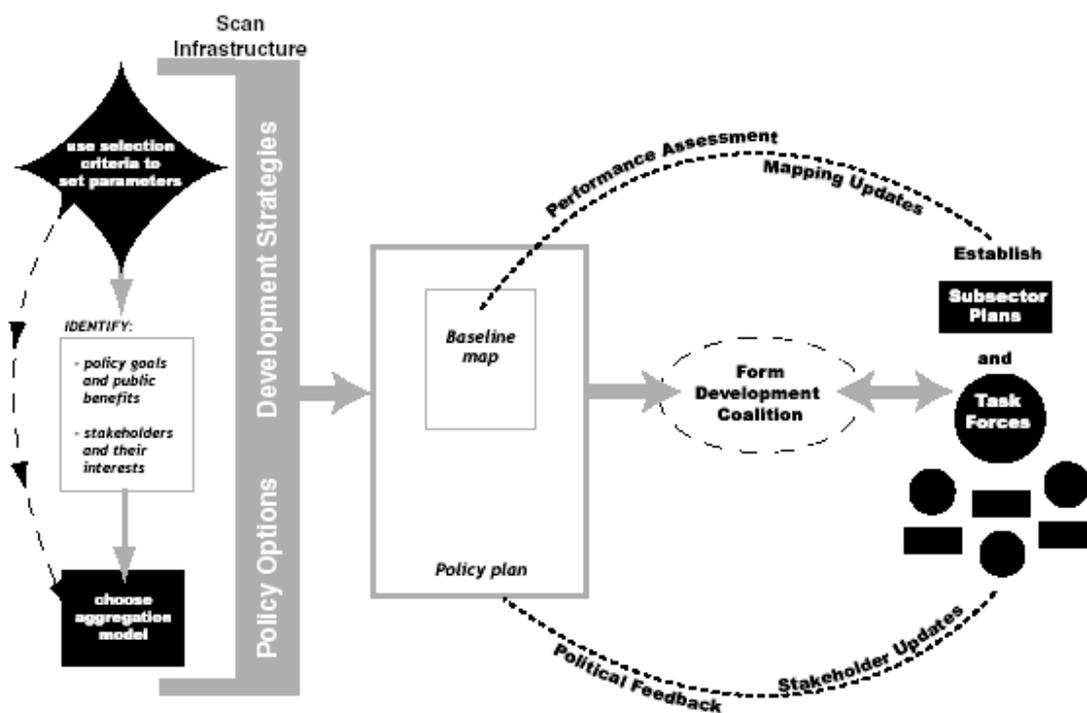
1. Selection of definitional criterion to establish the potential parameters of the creative activities for inclusion in the plan. As discussed earlier, four selection criteria are available: product, occupation, producer, and process orientations. Many efforts seem to implicitly rely on one definitional criteria while implicating others. It has been suggested that cross-referencing all four approaches may produce the most accurate set of parameters.
2. Choice of aggregation model and scope. Creative development plans may be narrow and targeted or broad and inclusive. There is no optimal choice—however there should be a conscious choice. Some initiatives choose to focus on a single industry—like the Entertainment Industry Development Corporation’s focus on the film production industry or the Texas Music Office’s and the French Music Bureau’s focus on the music industry. Others may concern clusters of cultural or creative industries—such as the Design Industries Initiative of the New England Creative Economy project or the various sub-sector initiatives undertaken in the UK and Canada. Alternatively, some plans are broadly inclusive of multiple clusters or

industries and try to encompass the entire sector. This has been the case with the UK's Creative Industries Initiative, with similar scope characterizing efforts in Canada and Australia as well as in the New England region as well.

3. **The Identification of Public Policy Motivations.** A variety of public policy goals or motivating factors are exhibited in the illustrative development projects discussed here. By looking at more than one creative sector development initiative, a list of such motivating issues begins to emerge. These include (1) expanding the export of cultural goods and services and/or improving one's international trade and competitive position; (2) easing the transition of workers into the new economy and/or fighting unemployment or labor dislocation; (3) integrating creative skills and competencies into efforts at educational reform; (4) cultivating the creative sector as a way of bolstering local cultural identity amidst the pressures of globalization; and (5) cultivating market development for creative products particularly for the subsidized arts, as a way of making them more sustainable and of expanding public participation. As with most public policy efforts, more than one goal may be sought. Currently there is considerable confusion over ends and means regarding development and the creative industries. For example, economic development may be pursued by using existing arts, culture or heritage resources to attract more tourism. But if such a goal merely capitalizes on these resources, then the creative industries are simply a means toward other economic development ends. To be creative industry initiatives, development plans should undertake investments that advance the creative industries. A similar confusion can come from mis-labelling a cultural organizational development plan as a creative industry development effort. By definition, creative industry or sector plans do not focus on a single organizations, they have a broader mission than organizational development. The growing popularity of the idea of creative development does not justify a misappropriation of the term to promote the strategic development plan of a particular cultural organization.
4. **Identification of industrial/sector stakeholders and their interests.** Prospectively, creative sector development initiatives benefit both employers and employees of creative industries. They also effect the general community and public of the community (communities) in which these industries and organizations function; effects that are likely to be evident both in economic terms and in public goods. Creative workers often have interest not only their economic and work conditions but in the artistic, cultural and creative works that result from their efforts and in the reputational effects their work may produce. Creators, owners, and the public have different interest attached to the intellectual property that creative content often assumes. Various elements of the supportive infrastructure of the creative sector bring a variety of personal, professional, and economic interests to creative development plans. Both private funders (e.g. foundation, corporate and individual donors; private investors and financiers) and various levels and departments of public funders and conveners have varying stakes, interests, and goals in these initiatives. Identifying the range and variety of such stakeholders is a important step toward determining who and what interests will need to be incorporated into the planning and implementation processes.
5. Finally, the creative sector infrastructure should be scanned to identify the range of policy options and developmental strategies available and appropriate for the policy goals and impacts involved. Scanning the infrastructure will help determine which

supports, services, and resources might be present and their capacity to leverage creative sector development. It will ascertain whether there are connective structures and mechanisms all ready in place or if these will have to be created. It can identify weaknesses and obstacles that may be present in the infrastructure. It can “test the waters” of public opinion and political feasibility surrounding different policy goals and development strategies. It can gather information about creative sector development initiatives undertaken elsewhere to enlarge the set of policy options and development tactics that have been used and the conditions and purposes under which they are effective.

FIGURE 6: DEVELOPING A CREATIVE SECTOR INITIATIVE



Wyszomirski, 2004

Mapping. The gathering of information that details the scale, scope, variety and dimensions of the creative industries within the planning jurisdiction is a necessary and well-know step in the development process. As noted in many of the case examples, undertaking research projects lay a baseline or benchmark that will be used to assess development performance. In the case of the UK, this entailed the compilation of Creative Industries Mapping Documents in both 1998 and in 2000.

In the case of the Canadian Cultural Workforce Project, multiple studies were undertaken—a workforce survey by Statistics Canada as well as five subsector (or industrial cluster) profiles. The EIDC started with a film production industry economic impact study followed by

career development studies of occupational recruitment and pipelines work in the fields of animation/visual effects and in interactive digital media.

Such mapping studies are essential to being able to track and assess creative sector development initiatives. However, by themselves, they are seldom sufficient to devise or constitute a development initiative or policy plan. Information must be transformed into understanding and strategy and this requires seeing the information both in local context and as part of a creative industries system. In part, this is because the economic dimensions of the creative sector will differ from country to country, region to region, and city to city. In another part, this will entail realizing that the economic map of the creative industries is only the tip of the proverbial iceberg. The “iceberg” also includes those “below the water line” relations and interactions, resources, supports and obstacles that constitute the infrastructure and the network of interrelationships between the infrastructure and the economic sector. A careful look at many of the examples provided shows that of the development strategies target aspects of the infrastructure—improving education and training for specific creative sector occupations; providing better information systems to link among industries, between industries and potential markets, and between potential employers and workers, and between investors and development opportunities; and mobilizing the authority and legitimacy of government to endorse, propel, convene, and facilitate development tactics and targets identified by direct creative sector stakeholders. Thus, devising a creative sector initiative or policy plan includes but goes beyond the baseline map. As in the structure of the sector itself, it must reach outside the firms, artists, artworks, and creative products that are the core of the creative industries components in the infrastructure that support, facilitate, stimulate or obstruct the capacity and ability of the creative industries to flourish and that connect the core with other industries that use or apply creative services and products to other kinds of tasks and activities.

Implementation. The implementation of creative sector development initiatives involves two interactive components linked by frequent feedback. These include Forming development coalition councils which, in turn, help devise sub-sector or goal-specific development plans.

An overall development council enlists political and financial support, engages leadership and expertise, sets priorities and establishes more specialized task forces. In the case of the UK, a number of these councils were employed. It began with the Prime Minister’s Creative Industries Task Force, a public-private group that brought together leading figures from the creative industries and government ministers and other officials to “recommend steps to maximize the economic impact of the UK creative industries at home and abroad.” (CIEPAG, 1999, p. 6) It then established the Creative Industries Export Promotion Advisory Group, as a sub-group of the Task Force, to focus on export development and included members from other industries including tourism and hospitality. In turn, the CIEPAG created four industrial cluster groups, each of which was composed of representatives of a specific set of creative industries and their trade associations, involved occupational associations, government officials, and key support service providers. Later Creative Partnerships were developed to join together cultural institutions, artists and schools to develop the creative talents of future generations. Along the way there was also a National Advisory Committee on Creative and Cultural Education. A network of Sector Skills Councils were developed

across the economy, with specific NGOs awarded a license to undertake research and training activities in support of particular subsectors of the creative sector. These included Skillset for the audio-visual industries and Metier for the performing arts industries. Alliances between Regional Development Agencies and Regional Cultural Consortiums were convened under the national government's decentralization policies.

In other words, an overall creative development coalition was created, which in turn created more specialized task forces to develop more targeted subsector and regional plans. Each of these drew upon research generated at the national level as well as sponsored their own information gathering activities. Information, action plans and development experience fed back to one another at each level and between planning levels. At the mapping level, this feedback provided both performance assessment information as well as new information on changing environmental conditions. At the planning level, political feedback was provided as well as updated information about stakeholder needs and capabilities. New organizations and consultation bodies were established as necessary. Goal-specific allies and infrastructure components could be mobilized and co-opted into development coalition groups on a variable basis.

IMPLICATIONS AND PROJECTIONS

The impetus behind attention to the creative sector has many roots. The actual and potential value of intellectual property in the "new economy" has, in part, been prompted by the forces of economic and communications globalization. It is also a result of the technological revolution in telecommunications and the networked society. Conversely, the link between culture and identity has a new-found significance precisely because it can be seen as a local anchor against the wave of change induced by the forces of globalization. Alternatively, nations seem to be increasingly aware of the value and utility of the creative sector in projecting a positive international image which, in turn, is regarded as a "soft power" resource in the diplomatic realm (Nye, 1990) as well as a marketing tool for international trade and tourism.

Recognized as a growing sector of domestic economies, development of the creative sector is attracting attention as a potential engine of economic development for communities as well as a source of new jobs (NGA, 2002). Sometimes the recognition of the creative sector is accompanied by a concern that key personnel in the sector are reaching retirement age and that attracting new professionals into the sector must be actively cultivated (IAA, 2003).

Clearly, the concepts of the "creative industries and of a "creative sector" are gaining recognition in many countries, each of which is trying to establish a working definition to articulate its importance and potential, to accumulate an adequate information base to guide planning, and to formulate and implement policies to develop the sector and its workforce. Success at such efforts requires an appreciation of the difference and relationship between the creative sector as an economic construct and as societal system. Accurately mapping the economic sector is essential to assessing the effect of development plans on the performance of the creative industries. Mapping the strategic relationships, networks, services, and resources that constitute the infrastructure of the creative industries is essential to the design and implementation of promising development plans.

Growing efforts to develop the creative sector may represent a policy convergence that finds a number of governments responding to the forces of globalization, technological change, shifts inherent to the emergence of the “new economy”, demographic changes in the general population within nations, as well as generational turnover within the creative sector. On the other hand, there may be an element of transnational policy learning occurring as countries and communities learn from the example of one another and seek to adopt and adapt creative sector development policies and tactics from one another. In any case, cultural development and the creative sector are on the policy agenda and are changing the character of the cultural policy paradigm for governments around the world.

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Margaret J. Wyszomirski, is Director of the graduate program in Arts Policy and Administration at the Ohio State University in Columbus, Ohio. Currently she is working on a book on public diplomacy and the arts as well as a long-term project on cultural advocacy and interest groups. In addition to her academic activities, she has also served as Staff Director of the 1990 Independent Commission on the National Endowment for the Arts and as Director of the Office of Policy Planning, Research and Budget at the National Endowment for the Arts.

Doris Rothauer
Freelancer, Vienna
dorisrothauer@utanet.at

The run on Creativity

Abstract: Since the late 1990ies we are confronted with a new definition of culture and cultural work: the Creative Industries – a magic formula for some, a nightmare for others.

In all the discussions on its phenomenon, its purpose and its implications one aspect is largely missing so far: the transfer of the value of creativity from the arts to the business. There is nothing new in producing design, fashion, film, new media – all disciplines, that are marked now with a new label but have a long-time tradition. What is new is the way in which the label “creativity” creates a change in values. What has been the characteristic framework of artists work so far – individuality, autonomy, independence, flexibility, ingenuity, imagination, innovation, subversivity, etc. – generates now a new form of cultural entrepreneurship that obviously receives much more recognition than the production of art resp. the self-organised cultural production did so far:

- Politics are promoting these values for the first time as productive pillars for a new social and economic policy.
- Economy promotes creativity and content as important market and competition factors.
- Society focuses the generation debate a.o. on the value change from stability and security to independence, flexibility, diversity.
- Science pushes towards a networking mobile innovative knowledge society.

How are the arts as prime domain of creativity dealing with this phenomenon? Do they drop back, are they being totally commercialised, do they develop new ways of self-understanding, new strategies and new forms of expression? Who is legalized by politics, economy and society to claim creativity? Is Creative Industry more recognized than creativity without industry? And is the label “Creative Industry” better paid than creative businesses without the label?

This paper will present different concepts and examples of “creativity” to inspire the reflections on the above and to contribute to the discussion.

Since the late 1990ies we are confronted with a new definition of culture and cultural work: the Creative Industries – a magic formula for some, a nightmare for others.

In all the discussions on its phenomenon, its purpose and its implications one aspect is largely missing so far: the transfer of the value of creativity from the arts to the business. There is nothing new in producing design, fashion, film, new media – all disciplines, that are marked now with a new label but have a long-time tradition. What is new is the way how the label “creativity” creates a change in values. What has been the characteristic framework of artists work so far – individuality, autonomy, independence, flexibility, ingenuity,

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- Science pushes towards a networking mobile innovative knowledge society.

Currently working on a publication about this change in values due to (among others) the Creative Industries I am in the middle of an elaborate research on the definition and notion of “creative” and “creativity” resp. to the social values creativity is connected to.

What I will contribute today is to put my questions and concerns that occurred during my research so far as an input into the discussion and present you two of the new concepts of the creativity hype that worry me especially.

But, first, I will tell you my personal story about my acquaintance with and approach to Creative Industries:

Creative refers to culture and art, Industries refers to economy.

My background is a study in economy and I am working in and for art institutions since 15 years – a cultural manager up from a certain point of experience and career, and a cultural worker for sure in regard to the self-exploiting relation of effort and income.

Besides my managerial qualities and qualifications I have always had a strong interest in the curatorial work and in the study of artists work – not only in their output (their art) but also in their working process, their strategies and structures. In 1996 I issued a book about Structures and Strategies in the art world, examining institutional structures and strategies as well as individual ones of artists – and artists are entrepreneurs on a self-organized basis, and creativity and all its related values are the classical basic traits of artists.

From 1997 on as director of the Künstlerhaus in Vienna I had the chance to position an exhibition house and artist association in one totally new which I did by expanding the programme from the fine arts to new media, design, fashion, architecture, electronic music. This was not meant to be a crossover or interdisciplinary programme, but we (my team and I) simply saw a lack of information and presentation of these fields within the institutional art scene in Vienna and I also felt that the High Culture is becoming more and more rigid and the visual culture – or Alltagskultur – becomes more and more an important aspect - and a very vivid aspect – of our culture in general.

There were a lot of the now so-called cultural entrepreneurs among those we exhibited – graphic designers, web designers, fashion designers, media experts, architects, filmmaker, set designer etc. and we involved businesses and companies as well in developing project partnerships and projects.

We were extremely successful with our new programme.

So now you must think I am in favour of Cultural Industries. I am not – I just thought that I would know the scene and decided to issue a book on it meant as an information and inspiration for those who want to deal with cultural industries. Then 2 years passed and I did not proceed with my book due to many other project involvements. Now I am happy I did not, because I had the chance to watch what happens with the whole Creative Industries talking and promoting and became more and more discouraged and worried.

What I think now you find in the paper you have in hand – there is a transfer of the value of creativity from the arts to the business. The new management dogma of a flexibilized economy is clearly adopting the classical artistic traits like creativity and cultural producers are addressed as a new role model in society, esp. by politics. But it is not in favour of the arts, because the recognition of the professions as artist, curator, museum director, etc is not upgraded the same way.

So what concerns me most now is how artists and self organized cultural workers – including myself – will deal with the fact that due to our values and the way we work and organize ourselves we are addressed as a new role model in society and politics but are still seen and treated as the court-jesters of society.

We have to react –

Why:

Because – if we read and listen to the new proponents of Cultural Industries and to the new management dogmas – we belong now to the most talented and most qualified workers but are not paid as such

- Because it is a question of subsidies resp. a shifting of subsidies from arts to business

How:

I will find out the answer for myself in my new publication.

Now I come to the promised examples.

There is a project just running in Munich at the Kunstverein München (March 12th – June 13th), that might give an answer to how should the arts react – suggesting that artists and cultural workers should organize themselves politically.

The project is called Atelier Europa consisting of an opening symposium, an exhibition, additional speeches, talks and a publication. You can find most of the statements and information on the website www.ateliereuropa.com and in the regular newspaper of the Kunstverein, Drucksache Spring 04.

The project is initiated and curated by Angela McRobbie, London, who is one of the leading critics of Creative Industries and the neoliberal politics in Britain, and by Marion von Osten, an artist based in Berlin.

Marion von Osten also curated an exhibition project in Zürich at the Museum für Gestaltung (November 2002 – February 2003) called “Be creative! Der kreative Imperativ”, examining the change in economics from an artists view, accompanied by a catalogue.

There are two other attempts of labelling Creativity new that I would like to recommend you – meant that they should alarm you ...

Charles Leadbeater/ Kate Oakley, The Independants. Britains new cultural entrepreneurs. Demos, London 1999

Leadbeater has been one of the chief ideologists of Tony Blair and has published several contributions to the New Economy and the CI. Here are some quotations from his propaganda writing:

“They (the Independants) do not fit into neat categories. The Independents thrive on informal networks through which they organise work, often employing friends and former classmates. Although some are ambitious entrepreneurs, many want their business to stay small because they want to retain their independence and their focus on their creativity. Yet that does not mean they see themselves as artists who deserve public subsidy. They want to make their own way in the market. They have few tangible assets other than a couple of computers. They usually work from home or from nondescript and often run-down workshops. Their main assets are their creativity, skill, ingenuity and imagination. Across Britain there are thousands of young Independents working from bedroom and garages, workshops and run-down offices, hoping that they will come up with the next Hotmail or Netscape, the next Lara Croft or Diddy Kong, the next Wallace and Gromit or Notting Hill. ... The Independents were brought up by parents who were teenagers in the 1950s and 1960s, and they themselves became teenagers under Mrs Thatcher. They are ant-establishment, anti-traditionalist and in respect highly individualistic, they prize freedom, autonomy and choice. These values predispose them to pursue self-employment and entrepreneurship in a spirit of self-exploration and self-fulfilment.”

Leadbeater also gives advice how to make it as an Independent, among others:

“Don´t have a plan: it will come unstuck because it´s too inflexible.

Make work fun. If it stops being fun people will not be creative.

Take a holiday in Silicon Valley. You will be convinced anyone is capable of anything.”

The other one is much more profound, but does not give an answer to my questions:

Richard Florida, *The Rise of the Creative Class*, an examination of the shift from an economy dominated by manufacturing and services and governed by the conventional laws of economic development to a creative economy. He is Professor for Regional Economic Development at Carnegie Mellon University in Pittsburgh and he is also advisor for the Government of Pennsylvania, where there is a frightening shortage of young people going to the factory businesses, that long time were an important industry in Pennsylvania.

His theory of the Rise of the Creative Class is based mainly on the experiences he made in Pennsylvania and esp. with his students. He asked them what they would prefer, a guaranteed job at the machine tool factories, giving them money and security, or a job at the hair saloon or spa, which paid less and offered fewer benefits and less security. They chose the second, because: you can come and go as you please, there is no clock, you can dress as you like, you can meet your customers, style them, be creative ... So up to Richard Florida the traditional theory that jobs drive the economy development does not work any more, the real growth comes from a combination of technical creativity, economic creativity, artistic creativity, political creativity. His definition of Creative Industries is therefore a much broader one – “Creativity is the driving force in every segment of industrial or business life. Everything we use, everything we do, every service we procure, even everything we eat has a creative component. In the old world, economic growth came from the places that had natural resources or raw materials – coal, iron ore, petroleum. Or they had access to transportation, or they had large markets, or they could amass large factory complexes that could harness physical labour. None of these things are as relevant today – because virtually anyone can have access to them. The key to the successful and competitive region, organisation or nation is the creative value added.” You find a lot of examples in his book about this value added.

His second point is his examination of place: “We will not move any more for a job, we move for a place” – when places are attractive, and they are attractive, when they provide a lot of creative services and culture. His advice for companies: “If you´re a company leader, you have to locate that company in a place that has territorial or jurisdictional advantage.” That equates to making cities and regions more dynamic places in which to live and work.

With other words, as Hewlett Packard CEO Carly Fiorina says: “Governors, keep your tax breaks, keep those roadway interchanges, we don´t care about those giant stadiums you all think we want. When we make a decision about where to put one of our company factories or research and development units or laboratories or offices, we only have one criterion in mind – we go where the highly skilled and creative people are. End of the story.”

Here we are.

Doris Rothauer was born 1961 in Vienna, doctorate in economics (business studies)

1986-1991 curatorial assistant at the Museum of Modern Art Vienna, at the Vienna Festival and for some other exhibition and art projects in Austria and Germany; 1990 – 1994 chief curator at the Vienna Secession; 1995 – 1997 free lance curator and exhibition project manager; 1997 - 2002 director of the Künstlerhaus Vienna, as such responsible for a new programme presenting the latest trends in architecture, design, new media, fashion and music; since 2003 strategic management and programming for the steirische herbst festival in Graz as well as for the Designzone Looshaus, Vienna, free lance consulting and project development, publishing and tutorship.

Publications:

diverse articles on art and art management in magazines and publications; 1996 editor of „structures and strategies of the art business“, published by Universitätsverlag Vienna. Currently working on a book about Creative Industries to be published in autumn 2004

Tutorship:

1990 – 1993 at the cultural management postgraduate education in Salzburg

1998 – 2000 at the Institut für Kulturwissenschaften (Institute for Cultural Sciences), Vienna

2000 at the Moscow School of Social and Economic Sciences, Moscow

since 2000 tutor at the University of Applied Arts, Vienna

Christian W. Handke
Humboldt University Berlin / Erasmus University Rotterdam
christian.handke@staff.hu-berlin.de

Defining creative industries by comparing the creation of novelty

Abstract. Analytical definitions of creative industries in use differ and/or lack precision, which bedevils measurement and communication efforts as well as the ability to keep pace with changes within the industries. This paper sets out to explore whether fostering fledgling links between cultural economics and economic theories of innovation might inform definitions of creative industries. The focus is on the concept of creativity as a defining characteristic of creative industries. The terms creativity and innovation in cultural economics and systemic innovation theories are discussed. It appears that content creativity can be understood as a special case of innovation but that it does not encompass all innovative activity within creative industries. Furthermore, the significance of the creation of novelty does not distinguish creative industries in an absolute sense from other economic sectors, which calls for a comparative approach to determining its characteristics. The singularity of creative industries might lie in its overall innovation intensity – creativity and other innovations possibly feeding into each other – and/or in its content creativity alone. This paper elaborates on the relationship of further basic concepts in both disciplines – including taxonomies of innovation – and the application of innovation measurements to cultural industries. In doing so, two particular challenges appear to be the externalities generated in creative industries and the supposed (multi-)duality of creative industries where routinely technological, economical or physical factors are distinguished from cultural factors, creativity, or ideas.

I. Introduction

In a perfect world, analytical definitions would be the generally applicable means by which to establish precise boundaries and enumerative definitions of the creative industries. These would then make it possible to measure total characteristics. Never is this more desirable than at a time in which dynamic developments within and around creative industries obliterate their traded boundaries and affect their wider social significance.

This work addresses a relatively unexplored way of improving analytical definitions of ‘creative industries’.¹ It elaborates on a synthesis between cultural economics and economic theories of innovation, both of which deal chiefly with the creation of novelty. The concepts of creativity and innovation in both disciplines are dealt with and a series of suggestions are made concerning the application and adaptation of conceptual tools and measurement methodologies to the analysis of creative industries. The aim is to open some scope in

¹ The qualifying expressions ‘cultural’, ‘artistic’ or ‘content’ are frequently used interchangeably with ‘creative’ to refer to creative industries. However, ‘cultural’ can evoke several other concepts than what is meant here, and ‘artistic’ evokes concerns for quality of works that economists are ill equipped to address (Frey 1994:6). Their use is not only synonymous and down to changes in fashion but might reflect the user’s particular interest in, or understanding of, the industries in question.

definitional efforts for comparison between the creation of novelty in creative industries and the creation of novelty elsewhere.

Definitions – the “specification of the meaning or [...] conceptual content of an expression” (Audi 1999) – need to adhere to a range of basic rules. Some of these are that definitions should neither be too narrow nor too broad. Furthermore, while many defining expressions will eventually remain vague, this “vagueness” of the definition should correspond to the vagueness of the expression defined. Additionally, definitions should not be circular, that is two (contestable) terms defining each other.

To produce valid data suitable for cross-industry or international comparison, the concept of ‘creative industries’ remains excessively vague. Different definitions-in-use, e.g. in international conventions, governmental publications or statistical collections, remain fuzzy and/or contradictory (cf. DCMS 2002:9ff). This applies even to the core industries revolving around typical creative products (e.g. music industries). Here, vertical limits of the industry remain ill defined. It is extremely tricky to determine which contributions and contributors to the production and consumption of a specific type of creative works should be included within the concept of the particular ‘creative industry’ in question. Additionally the horizontal limits of creative industries – e.g. which products are outputs of ‘creative’ processes? – are ill defined. These notorious definition problems appear to be at the heart of the measurement and communication problems that bedevil creative industries, cultural policy and cultural economics.

Two main approaches to the explicit definition of cultural industries can be distinguished; attempts to develop analytical definitions and attempts to establish ostensive or enumerative definitions. Analytical definitions consist of a description of the definiendum (that which is to be defined) with the simplest or ultimate components that characterise it. By contrast, ostensive definitions refer to illustrative examples to define an expression and enumerative definitions are an exhaustive list of all sub-sets of a concept.

In practice, analytical definitions frequently do not feature in the historically grown “definitions in use”. These rather rely on ostensive/enumerative definitions that consist of more or less elaborate lists¹. Other times, analytical definitions and ostensive definitions of creative industries complement each other. More or less analytical definitions precede lists for illustration or clarification and vice versa. The problem remains that neither approach in itself, nor combinations thereof have stabilized so that there would be general agreement on the boundaries of the concept “creative industries”. To name but a few problems: existent analytical definitions struggle with vagueness and circularity; ostensive definitions remain inexhaustive and contradict each other; combinations thereof produce inconsistencies.

1 Two of many examples of such ostensive definitions are the WIPO administered Berne convention (1971) and the “English Regional Cultural Consortia Regional Cultural Data Framework: A User’s Guide for Researchers” of the UK’s Department for Culture, Media and Sport (DCMS 2002). Article 2 of the Berne convention (1971) reads:

(1) “The expression “literary and artistic works” shall include every production in the literary, scientific and artistic domain, whatever may be the mode or form of its expression, such as books, pamphlets and other writings; lectures, addresses, sermons and other works of the same nature; dramatic or dramatico-musical works; choreographic works and entertainments in dumb show; musical compositions with or without words; cinematographic works to which are assimilated works expressed by a process analogous to cinematography; works of drawing, painting, architecture, sculpture, engraving and lithography; photographic works to which are assimilated works expressed by a process analogous to photography; works of applied art; illustrations, maps, plans, sketches and three-dimensional works relative to geography, topography, architecture or science.

(2) It shall, however, be a matter for legislation in the countries of the Union to prescribe that works in general or any specified categories of works shall not be protected unless they have been fixed in some material form.”

II. Analytical definitions in cultural economics

Towse (2003:170) gives the following definition of creative industries:

“Nowadays also called ‘creative industries’, cultural industries mass produce goods and services with sufficient artistic content to be considered creative and culturally significant. The essential features are industrial-scale production combined with cultural content. The cultural content mostly results from the employment of trained artists of one sort or another (creative artists, performers, craftspeople) in the production of goods in the cultural industries, but it may also arise from the social significance that attaches to the consumption of goods.”¹

Throsby’s (2001:4-5) definition of “cultural industries” through the “cultural activities” taking place in them diverges from this. According to him, cultural activities a) “involve some form of creativity in their production”, b) are “concerned with the generation and communication of symbolic meaning”, and c) “their output embodies, at least potentially, some form of intellectual property” (Throsby 2001:4-5 / cf. Throsby 2003:167). These criteria are consistent with the frequently interchangeable use of the terms ‘cultural industries’, ‘creative industries’, ‘copyright industries’, and ‘content industries’ referring to media or symbolic content. Towse (2003:170-1) does not appear to include intellectual property into the explicit analytical definition of creative industries but also observes that ...

... “[t]he guiding principle that is increasingly adopted for unifying the cultural industries is their reliance upon copyright law to protect the creative or cultural content, the intellectual property. Thus ‘industries protected by copyright’ have become virtually synonymous with the cultural (or creative) industries [...].“

Throsby’s definition of “cultural industries” is relatively broad, as it does not contain a criteria evoking “industry-scale production”. His definition might thus be seen to refer to the cultural sector. It is relatively narrow, as it includes two further definitional criteria, the “intellectual property” and “symbolic content”. The latter addition seems useful, as it clarifies that creative industries deal with symbols, signifiers that objectify a response such as an association with something else. That creative industries generally produce and disseminate codified information of a particular kind appears imperfectly captured by the use

The standard definition given by the DCMS’ (2002) guide reads:

“A. Culture has both a ‘material’ and a non-material dimension. The definition of the cultural sectors must focus upon material culture, and we understand this to be the sum of activities and necessary resources (tools, infrastructure and artefacts) involved in the whole ‘cycle’ of creation, making, dissemination, exhibition/reception, archiving/preservation, and education/understanding relating to cultural products and services. [...]

B. The range of activities defined as ‘cultural’ is fluid and changing. However, at their most inclusive, we recognise the cultural sector to cover the following seven ‘domains’: Visual Art, Performance, Audio-Visual, Books and Press, Sport and Health, Heritage and Tourism.”

1 By this definition, creative industries are just a sub-set of the scope of cultural economics. Again according to Towse (1997), cultural economics address a) the arts in a wide sense, including visual arts, b) the heritage – the stock of artistic capital of works as well as “inherited traditions of performance and execution”, and c) the “media industries”. Arguably, creative industries fall into the latter category of mass “media industries”, where works are captured in media suitable for industrial type mass reproduction. The term then does not refer to the entirety of spheres where creative or artistic production takes place.

of the terms creative or cultural by themselves (and would be captured by the use of the more value-laden term 'artistic'). It seems a definition of creative industries based on the criteria of industry-scale production" and "symbolic content" alone would be too broad. Quite clearly, any definitions-in-use concur in not including all symbolic (media) content.

However, the inclusion of 'intellectual property' in analytical definitions is problematic.¹ Surely, measurement of the 'copyright industries' – those industries whose major product(s) falls under the various national and international copyright legislations – has its use. However, copyrights are no stable concept and currently affected by substantial revisions. Throsby (2001:4-5) himself expresses reservations against such a synonymous use of the expressions 'copyright industries' and 'creative industries' by adding the vague qualification "[...] at least potentially". It seems that copyright industries should not be equated with creative industries. To the contrary, better definitions of creative industries and the creators within them need to be developed so that intellectual property (copyrights) can be targeted adequately in a changing industry and market environment.²

Rejecting the applicability of intellectual property to an improved analytical definition of creative industries, at least another criterion complementing "industrial production" and "symbolic content" – which will not be discussed in any detail in this paper – appears to be necessary to define creative industries. This is of course the concept of 'creativity' in creative industries. At this pivotal point, analytical or contextual definitions of creative industries quite generally appear to be circular. They either define 'creative' with the roughly equivalent and/or equally elusive terms of 'cultural' or 'artistic'; or they define 'creative industries' as those industries that conduct creative activities or produce creative output. Arguably, this is the weakest link within the definition efforts for creative industries. This paper can make no pretensions to do away with the problem of circularity. It does, however, suggest an attempt to compare the creation of novelty in creative industries in order to sharpen the understanding of the supposed singularity of creative industries and thus, at least by implication, of creative works.

1 First and foremost, it is questionable whether legal definitions such as intellectual property should guide definitions of the social sciences rather than the reverse. (This appears to be acceptable, if not entirely convincing, only where exclusive reference is made to an imaginable natural right of creators to the intellectual property in their creation, which would exist beyond formal laws.) Then, the qualification that creative output embodies intellectual property "at least potentially" is extremely vague. Does not any codified information fulfil this criterion? At the moment, intellectual property applies to a vast range of products that are not typically included within the range of 'creative products' from medicines to scientific texts. Furthermore, laws change. What is more, they can trail behind the emergence of new forms of creative expression. Legal instruments further differ considerably between various political entities. Finally, the inclusion of intellectual property as a necessary condition to speak of a cultural industry could come to exclude all those cultural activities that for one reason or another do not register their output as their intellectual property. In short, a definition based on intellectual property might be both too broad and too narrow. It might be 'stipulative' – differ from the ordinary or usual conceptual content of the expression defined – but not convincing as a 'prescriptive' definition as it might not promote the usefulness of the concept.

2 Copyrights surely appear to be a substantive and useful element of looser, contextual definitions (descriptions) of creative industries.

III. The terms 'creativity' and 'innovation'

III.1 The creation of novelty in cultural economics

The most basic lexical definition of creativity is the act of bringing something into existence. In cultural economics and the context of creative industries the creation is regularly assumed to be original, that is the outcome of the creator's own efforts and different from previously existent creations (cf. Toynbee 2000:35 / Castañer and Campos 2002:31).

That the terms 'creativity' and 'innovation' are seen to be closely related comes out clearly in the literature on creative industries. It thrives with compound expressions including the terms innovation or invention used to refer to the creation of novelty in creative industries. "[S]tylistic innovation" (Menger 2003:422), „artistic innovation“ (Towse 2003:6) "cultural creativity and invention" (Menger 2003:426), "[i]nnovative arts productions" (Kirchberg 2003:145) are just some examples. Conversely, when Acheson (2003:251) speaks of "business, professional and artistic creativity" it is an example of the term creativity being applied beyond the creation of new works in creative industries.

Accordingly, some cultural economists have suggested a more extensive introduction of innovation theory to cultural economics (Castañer and Campos 2002 / Tschmuck 2002). Regarding the limited understanding of the factors determining innovation and creativity in arts organisations, the cultural economists Castañer and Campos (2002:34) observed critically: "The first thing that comes to mind is to ask whether what we know about innovations by organisations in general is applicable to arts organisations. However, until now researchers have not taken this approach." This paper is certainly in line with this view.

However, within cultural economics, creativity and innovation are not always used interchangeably. Towse (2001:1) asserts, "(c)reativity is central to the cultural or creative industries. It plays the equivalent role in these industries to that of innovation in other sectors of the economy". Dealing with creative industries, Tschmuck (2002:4) writes "the existing literature on the economics of innovation has hardly ever dealt with creativity." Similarly, in a book on popular music, Toynbee (2000:66) defines creativity as the "agency" of making music.

These quotes illustrate a more narrow and thus more precise use of the term creativity in research on creative industries. Creativity in a narrow cultural economics sense refers to the creation of novelty only in the cultural sectors. Here, the term 'creativity' is used to delineate the creation of novelty in creative industries from that elsewhere in the economy. Even more specifically it seems to refer only to the creation of cultural works. According to this use, it can also distinguish between the creation of new cultural works and innovation concerning other activities within creative industries, Caves' (2000) "humdrum inputs". Defined as such, creativity is per definitionem the definitive feature of creative industries but does not encompass all new creations within the industries.

III.2 The creation of novelty in economic theories of innovation

In innovation studies, the infrequent use of the term 'creativity' is roughly equivalent with the lexical definition and simply refers to the ability to bring something new into existence. This 'something', the creation, is typically but not exclusively an artefact. In this context, 'creations' is a synonym of 'inventions', which is a sub-set of innovations in a broad sense (see section IV.2). A creation or invention is new, when it exists for a relatively short period of time and was not previously known within a group of people¹. Thus, similarly to the understanding of the term in cultural economics, a creation needs to be different.² The very term 'creation' also features prominently in key definitions of the term 'innovation' within economic theories of innovation. Edquist (1997:1, emphasis added) defines innovations as "new creations of economic significance of either a tangible or intangible nature".

On the basis of Edquist's definition, (content) creativity is a sub-set of innovation. To be sure, this understanding does not intend to obliterate the conceptual difference between the narrow definition of creativity in cultural economics and the more general term innovation in its broadest sense. An understanding of content creativity as a special kind of innovation confirms nevertheless that the more precise and narrow concept of creativity in cultural economics is closely related to the wider concept of innovation. Both refer to the creation of novelty. Some insights from research on one of them might inspire approaches to analysing the other (cf. Castañer and Campos 2002:34 / Tether et al 2001). Subsequent comparison might then reveal similarities as well as specificities of the creation of novelty. This is of course the very thing that needs to be achieved in order to formulate an analytical definition of creative industries.

In the following sections these two related tasks will be addressed tentatively; firstly, how to transfer and operationalise concepts and methodologies from selected economic theories of innovation; secondly, how to compare creativity and innovation.

IV. Synthesising theories of innovation and cultural economics

IV.1 Basic considerations

In the past, innovation research has largely ignored services and service industries. This has changed recently, with a blossoming interest in service innovation and in particular information services (e.g. Boden and Miles 2000 / Metcalfe and Miles 2000 / Andersen et al 2000). Findings from major survey-based research projects on innovation suggests that many such information service industries are currently amongst the most innovation intensive industries, eclipsing many manufacturing industries (cf. Tether et al 2001), apparently with a particular role in ICT related activity. This breaks with traded general conceptions of services

1 So that an invention / innovation can be new to the world, but also new to a society, a firm, down to just one individual.

2 In definitions of innovation in economic theories of innovation, explicit concern for the authorship / creator in cultural economics is replaced by a greater emphasis on the time elapsed since the production of a creation in innovation studies. The former deviation between the cultural economics and the innovation literature should not be exaggerated, though. After all both disciplines pay extensive attention to individual creators / inventors and entrepreneurs, e.g. by addressing intellectual property rights. The latter deviation might be of particular significance, though. It appears that due to the scepticism regarding pecuniary indicators to adequately establish the value of creative works, the duration of its valuation (does it become a 'classic') is frequently called in. What is more, it might be particularly true for creative works that their distinctness from other works might be more significant in determining its 'novelty' than the time that passed since its first fixation.

as technology laggards. Creative industries are frequently included among an avant-garde of innovation intensive and prospective high-growth information services, alongside other forms of communication, education and professional or knowledge intensive business services (cf. Barras 1990 / Tether et al 2001). They are hardly included among innovation measurement exercises, however.

The focus in this service innovation literature tends to be on what can be learned about innovation when studying service industries. At the same time, these efforts have certainly demonstrated that manufacturing-based innovation studies can help to structure thinking about service innovation. Recent attempts to extend innovation theories to non-technological innovations and services have identified three different approaches to addressing service innovation (Tether et al 2001 / cf. Miles 2001):

- Assimilation approaches transfer concepts and models developed in manufacturing-centred innovation studies to the study of services. Many are roughly equivalent to “technologist” approaches as both tend to implicitly or explicitly define innovation as exclusively technological innovation, disregarding innovations that do not entail new technological artefacts and/or patents.
- Demarcation or service-orientated approaches emphasise the uniqueness of service innovation. Service innovation is considered to be distinctive from the outset, “following dynamics and displaying features that require novel theories and quite different instruments” (Tether et al 2001).
- Synthesis or integrative approaches are defined by Tether et al (2001:2) as those approaches that are based on the assumption ...

“[...] that innovation in services (and services innovation) brings to the fore neglected aspects of the innovation process which are widely distributed across the economy. Though these are displayed most obviously in service firms and industries, at least some of these characteristics are (increasingly) significant in innovation processes within manufacturing and other activities, although these remain largely unstudied. New theories and instruments that better address the wide range of forms of innovation in modern economies are thus required to develop a fuller understanding of the innovation process. This view contends that existing approaches to innovation studies have privileged the role of (formal) R&D to the extent that other innovation sources and other types of innovation have been neglected.”

In this optimistic way, from the outset some studies of service innovation are expected to bring up significant new insights for innovation theories generally. This paper contents itself with the potential insights from theories of innovation for creative industries as a particular service industry. The very strength of a synthesis approach for the task of analytical and definitional efforts seems to be that it facilitates comparison in a way that archetypal assimilation and demarcation approaches cannot.

IV.2 A rudimentary overview of systemic innovation studies

Economic theories of innovation research provide a wealth of conceptual tools and methodologies with which to address innovation and innovation processes.¹ From this perspective, innovations are virtually always the outcome of new combinations of existent knowledge (Schumpeter 1934). Innovation processes are “interactive learning processes” (Lundvall and Borrás 1997 / Lundvall and Archibugi 2001) that tend to include collaborations of various actors differing in their incentives and/or skills. Innovations are the outcome of interactions between such different actors in a complex system (Andersen, Metcalfe and Tether 2000 / Smith 1996) the elements of which are typically distinguished into a) actors / organisations, b) interactions, and c) an institutional infrastructure (cf. Carlsson and Stankiewicz 1991 / Edquist 1997 / Andersen, Metcalfe and Tether 2000 / Fischer 2001). Furthermore, innovation processes are understood to be continuous and open-ended. They are ubiquitous, rather than confined to formalised research and development efforts; cumulative and path-dependent, i.e. past developments determine present possibilities in trajectories and there is a significant time dimension in innovation processes; finally institutions, e.g. public policy, matter as selection mechanisms for innovative activity (cf. Edquist et al 1998).

Taxonomies of innovations distinguish between mere inventions – “new creations” – and innovations in a narrow sense – “new creations of economic significance” (Edquist 1997:1 (emphasis added) / 2001). In order for inventions to translate into innovations, inventiveness needs to be complemented with other, e.g. entrepreneurial activity. Thus, innovation refers to outputs and processes, as well as either the act of realising the economic potential of new creations / inventions only, or the entire process bringing up innovations that begins with an invention / creation. Further taxonomies distinguish between radical and incremental innovations, where the former break with established technological paradigms (cf. Freeman and Perez 1988); product innovations that have their own demand function and process innovations that increase the productivity of production factors (cf. Annunziato 2002).

Innovation studies relate to models of an industry life-cycle driven by technological change through which the relative significance of production skills and assets varies dramatically (Utterback 1994). They address types of actors’ relative strengths (or incentives) in conducting specific types of innovation based on taxonomies according to their size and/or their “inclusion” into, and hence commitment to, a “technological ensemble” (Bijker 1995 / cf. Utterback 1994 / Edquist et al 1998 / Karlsson and Olsson 1998 / Breschi and Malerba 2001) as well as the effects of competition on innovative activity (cf. Smith 1996:269 / Lundvall and Borrás 1999:58 / Aghion et al 2002).

In innovation studies, relatively straightforward – if hardly perfect – measurements of innovation performance and intensity have been developed (Djellal and Gallouj 1999 / Hansen 1999 / 2001 / OECD 2002). These fall into two fundamental categories: first, input indicators measuring input into innovation related processes; secondly, output indicators addressing innovations, new creations of economic significance per se.

¹ The particular strand in innovation research summarised here – usually labelled “systems of innovation” approaches (Edquist 1997 / Edquist and McKelvey 2001 / Andersen et al 2001) – is rooted in neo-Schumpeterian, evolutionary, as well as neo-institutional economics and the economics of information. These approaches are based upon the more or less explicit rejection of certain key abstractions in standard economics, that is perfect information and perfect rationality of actors, as well as static equilibrium (cf. Edquist 1997 / McKelvey 1994).

Individual elements of general conceptions of innovation and technological change have long made their way into cultural economics (cf. Burke 1994 / Strobl and Tucker 2000 / Tschmuck 2002). Nevertheless, these transferrals occur sporadically (cf. Castañer and Campos 2002). They leave scope for more systematic applications and adaptations of insights from innovation studies in a synthesis approach.

IV.3 Some specificities of creative industries

However, to economic theories of innovation the cultural industries are terra incognita. As shall be seen, the application of their conceptual tools to creative industries is no perfectly straightforward exercise. It probably requires the adaptation and possibly extensions to such concepts. Here, the focus will be only on a few exemplary seminal propositions regarding unique features of creative industries in cultural economics.

Creative works are information goods and services. According to Throsby, “it is the fact that the physical work is the vehicle for conveying the idea that transforms the work from an ‘ordinary economic good’ into a ‘cultural good’” (Throsby 2001:104). As information goods and services of sometimes wide appeal, creative works can bring about considerable externalities, that is others than those that pay for its production benefit from it. Creative works are considered to be “quasi-public” goods, as they tend to be non-excludable and inexhaustible (Bone and Gordon 1999 / cf. Lessig 2001 / Landes and Posner 1989 / Landes 2002).¹ One aspect of such externalities may be the benefits to present creators from building upon prior works in a “circular creative space” (Toynbee 2000 / cf. Towse 2000 / Landes 2002 / Tschmuck 2002).²

Cultural works are highly differentiated both vertically – there is a multitude of different types of works and stylistic genres – and horizontally – each work is per definitionem different from all others (cf. Caves 2000). Each work is in imperfect competition with a multitude of imperfect substitutes as there are, e.g. a great number of paintings, and some substitution effects might extend into other kinds of works and beyond (cf. Towse 2001). Cultural works are typically durable goods and services with the potential to give rise to durable rents (Caves 2000), while conversely time is of the essence, as demand for the same work or works of a certain type might fluctuate significantly over time and network effects exaggerate the significance of timing and coordination in the marketing of works. The production of cultural works typically requires diverse skills and frequently requires input from a variety of specialised collaborators (cf. Caves 2000). Cultural works are treated as experience goods and services, i.e. taste is cumulative and has to be developed by consumption of related works (cf. Throsby 2001:115). Nevertheless, demand for creators and their work is characterised by a high degree of insecurity.

“People have a strong vocation to work as an artist [...]” (Towse 2001:61) or creator. This is indicated by below average earnings (Towse 2001:66) and underemployment for creators (cf. Towse 2001). Creators income distribution is further extremely skewed. What is more, a great number of amateurs operate that derive no or negative pecuniary incomes from their creative activity. “In almost every form of art, amateurs clearly outnumber professionals” (Brosio 1994).

Accordingly, the incentive structure of “creative workers” is frequently seen to differ from that of other producers (Frey 2000 / Caves 2000 / Throsby 2001). Caves (2000)

1 Due to recent improvements in the capacity of ICT, information goods suitable for digitalisation today resemble a perfect public good more than ever (cf. Davis 2002:2).

2 Tschmuck (2002) proposes that in “‘creative industries’ [...] creativity functions as an in- and output”.

proposes that creators are extraordinary because they care about their product. Throsby (2001) developed a model of the creative process, in which creators seek to maximise both the cultural value as well as economic value of their output. He further proposes a hierarchy within creative industries according to the relative importance of the maximisation of cultural and economic value for creators (Throsby 2001). Similarly, Caves (2000) distinguishes between creative labour that directly contributes to the production of creative works and “humdrum inputs” that might be of particular significance in creative industries. This dichotomy contains another insight. It might be the coincidence of “economic and cultural forces” and the resulting “creative tension” that distinguishes at least some creative industries (Sadler 1997:1919).

Finally, Throsby (2001:104ff.) suggests that the value of cultural works is determined in a “dual market”. On the one hand, the economic (or pecuniary) value of a work is determined in an economic (or pecuniary) market. On the other, the cultural value of works is determined in a “market of ideas” (cf. Coase 1977) and Throsby emphasises the greater mobility of ideas that, as (quasi-)public goods, spread in ‘continuous processes’ (Throsby 2001:103) in contrast to goods exchanged in conventional market interactions.

IV.4 Complementarities and challenges

A synthesis between cultural economics and economic theories of innovation is facilitated by a series of common fields of interest and roughly compatible assumptions. Both are economics. Both extend on the confinements of neo-classical economics in at least one significant way. The creation of novelty is regarded to be central in both disciplines. In definitions of creative industries, creativity as a particular type of innovation is the pivotal criterion. Manufacturing based innovation studies, on the other hand, start out from the generally accepted notion that innovations are the precondition for technological change over time and thus the foundation of long-term economic growth (cf. Edquist 1997:1 / Freeman 1997:316 / Fischer 2001:200). From this perspective, the significance of the creation of novelty cannot distinguish creative industries in an absolute sense from other economic sectors. Considering the overall significance of creation of novelty within industries, the distinction is at best one of degree, that is determined by the relative significance of new creations or ‘innovation intensity’.

Furthermore cultural economics and the systemic theories of innovation introduced here emphasise the significance of institutions (cf. Frey 1994:2/4). This is hardly limited to, but nowhere more apparent than regarding the role of intellectual property. As Baumol (2003:25) observes, ...

... “[t]he analogy with the economics of innovation immediately offers one way of dealing with the problem that contributes further justification for government support. In the case of innovation, patents of course constitute the most direct analogue to copyright in the case of the arts.”

The selective overviews over the specificities of creative industries proposed in cultural economics reveals further compatibilities with systemic theories of innovation. The conception of innovations as “new combinations” in interactive learning processes resemble concepts of the “circularity of creative space” (Toynbee 2000 / cf. Landes and Posner 1984) in studies of creative sectors. Interactions and interactive learning processes are of mutual central concern. So are the related co-ordination efforts within and beyond firms or

individuals, as well as the knowledge “spill-overs” (Fischer 2001) that occur outside of market transactions or formalised information exchanges.

Furthermore, creative works are information goods and services. Comparison with ongoing research on other information goods and services might inform research on creative industries. An interesting issue might be for example the question whether the double nature as physical work and idea (Throsby 2000) is affected by the apparent partial transformation of particular creative industries from a “scale-intensive” mode of production – based upon physical networks – to “network service” – relying more extensively on ICT (Soete and Miozzo 1989).

No counterpart for the various distinctions between creativity and creative works on the one hand, and innovation and “humdrum” inputs on the other, appears to be laid out in established economic theories of innovation. Additionally, the externalities generated in cultural activity might be particularly pronounced. For the moment, these issues constitute a particular challenge. Optimistically, they might in time constitute a unique contribution of cultural economics to innovation research.

IV.5 Innovation taxonomies

IV.5.1 Innovation and creativity in creative industries

At least where creative industries as defined by Towse (2003:170) are concerned, much of the creation of novelty does not concern creativity in a narrow cultural economics sense of the production of creative works. Instead, it concerns innovations in intermediary functions or ‘humdrum inputs’ that are probably more similar to innovation in other parts of the economy. A careful distinction between the two terms (content) ‘creativity’ and ‘innovation’ aids in clarifying the distinction between these two interrelated spheres within creative industries.

It also provides a link to another fundamental insight of research on creative industries. The interplay of more general innovation – not least in the conventional sense of technological innovation – and cultural creativity is characteristic of creative industries. As Sadler (1997:1919) asserted for the music industry: “[It] displays [...] key economic trends in very marked fashion, and its history demonstrates clearly the creative tension between economic and cultural forces“. In the absence of distinction between two presumably fundamentally different types of innovation, established economic theories of innovation cannot appreciate this interplay.

IV.5.2 Process and product innovation

Roughly speaking, it seems that process innovations in cultural industries are frequently more conventional technological or organisational innovations, whereas more or less unique product innovations – commercially significant new creative works – are the characteristic feature of creative industries. In practice, this distinction is far from straightforward in creative industries. For example, it might create a conceptual boundary between the production of the works, and the performance techniques, instruments or recording devices that might be newly created – or employed in new ways – in their production. Probably, the situation regarding process and product innovation is similarly convoluted in other industries. The simultaneous distinction between creativity and other kinds of (‘humdrum’) innovations on the one hand, as well as between process innovation and product innovation on the other, might turn out to be particularly challenging, however.

IV.5.3 Cultural creativity as inventive or innovative activity

Is the distinction between innovations and mere inventions useful with regards to creative works? In other words, should the modification “[...] of economic significance” in the general definition of innovations (Edquist 1997:1) apply to creative works? As cultural economics insists in the usefulness of studying creative works as “true economic goods” (Frey 1994 / cf. Towse 1997) the answer is quite obvious.

Introducing the ex post criterion of economic significance for creativity means both the expansion, as well as the narrowing of the otherwise much broader and ultimately elusive concept ‘creativity’. On the one hand, it narrows the conception of cultural creativity by excluding all cultural works without a discernible economic value. Only such new creations that develop economic significance would be innovations. On the other, it might broaden the concept of (content) creativity by bringing in creative activity (one might call it ‘entrepreneurial’) related to the promotion of the economic or cultural value of a work in markets, while excluding “humdrum inputs”.

It constitutes a considerable challenge to establish what the ‘economic significance of creative works’ is. It might not be restricted to its ‘direct’ pecuniary value. Firstly, it could be argued that any work in the realm of creative industries has economic significance. After all, the creative industries operate under unpredictable demand conditions (cf. Towse 2003 / Caves 2000) where failure can be a significant part of ‘trial and error’ exploration processes. Secondly, creative space is circular and the degree to which particular works feed back into the production of works is not always proportional to its direct (pecuniary) economic significance. Thirdly, creative industries are seen to produce quasi-public goods that might give rise to considerable externalities beyond their feeding back into (content) creativity.

To stretch the concepts even further, another thought reveals the bewildering ambiguity of ‘product’ and ‘process’ in creative industries. Creative works are unique per definitionem and thus can be assumed to each invoke a market (at least when one buyer is present). In what Throsby (2001) calls the “market of ideas” (cf. Coase 1977), they might also have the effects of process innovations – increasing the productivity of production factors – by broadening the knowledge of other creators that consume the work. Where works are quasi-public goods, this can occur quite independently of market transactions.

IV.5.4 Radical and incremental innovations

The distinction between radical and incremental innovations concerning creative works is tricky to make within the scope of economic theory and shall not be discussed here. The concepts of radical and incremental innovations are frequently drawn into the discussion of the effects of technological change on creative industries.

IV.6 Innovation measurement

The creation of novelty cannot be used as the unique characteristic of creative industries in an absolute sense (see section IV.4). The intensity of innovation and creativity might however differ from other economic sectors and between various actors within the industry. Distinguishing between input and output indicators, as well as between creativity as the creation of novelty regarding cultural works and other kinds of innovation, the following four indicators emerge.

Regarding creativity, where any work is per definitionem a new creation, an (1) input indicator is the investment in the production of new creative works or content. (2) Output

indicators are the number of new works published and the value created, where the pecuniary value certainly appears to be easier to measure than the cultural value. In the case of more 'conventional' innovative activity – e.g. technological innovations concerning the distribution of works – an initial challenge is to identify what constitutes the innovative products or processes to be studied. This done, (3) input indicators of innovation are the investments in related exploration efforts or the exploitation of innovative products and processes. Finally, (4) the size of innovative output (in units or revenues) indicates innovation.

In order to determine innovation intensity with regards to inputs, the relative costs of innovation as a share in firm size (indicated e.g. by total revenues, turn-over, employees) can be used. The relative size of innovative output as a share of firm sales (in units or revenues) can be used to determine innovation intensity in terms of output.

The methodologies to measure innovation performance from innovation research referred to here could be employed (and adapted) to determine the innovation intensity a) in various creative industries, and b) among various types of actors within creative industries. Subsequent comparison of innovation intensity between types of actors, types of creative industries as well as between creative industries and other economic sectors might reveal characteristics of the creation of novelty in creative industries. This being a definitive feature of creative industries, the horizontal as well as the vertical definition of innovative and/or creative elements within the realm of creative industries might be improved. These methodologies might also be used to test assumptions regarding internal distinctions within creative industries, such as Throsby's (2001:112-3) distinction of a core and two concentric cycles that make up creative industries.¹

V. Conclusion

In this paper it has been suggested that definitional efforts concerning creative industries might be informed by fostering fledgling links to economic theories of innovation. This was based upon two initial observations. First, both disciplines largely revolve around the creation of novelty, as referred to in the central terms 'creativity' and 'innovation'. Secondly, comparison might inform definitional efforts.

After an initial review of the elements of two existent analytical definitions, this paper addressed the issue of the defining characteristics of creative industries in three steps. First, it examined the terminology of the two disciplines in question. Secondly, it considered how basic concepts in both disciplines relate to one another. Thirdly, it dealt with the application of measurement methodologies from innovation research to creative industries. The tentative findings are the following:

Regarding terminology, one first finding of this paper is that creativity in a cultural economics sense can be understood to be a special case of innovation. It is suggested, though, that creativity should not be regarded as encompassing all innovations occurring in creative

¹ Throsby (2001:112ff.) distinguishes between (1) a core of cultural industries consisting of the traditionally included music, dance, theatre, literature, the visual arts, the crafts, and newer forms of practice such as video art, performance art, computer and multimedia art; (2) a first concentric cycle of "those industries whose output qualifies as a cultural commodity [...] but where other non-cultural goods and services are also produced, such that the proportion of what might be termed 'primary cultural goods and services' is relatively lower than in the core arts case". He includes books and magazine publishing, television and radio, newspapers and film; (3) and a set of industries that "operate essentially outside of the cultural sphere but some of whose products could be argued to have some degree of cultural content" – advertising, tourism, architecture, etc.

industries. Content creativity referring only to the production of creative works should be distinguished from innovation concerning humdrum inputs within creative industries. Such a terminology facilitates the particular challenge in cultural economics to grasp the frequently reaffirmed but varying perceptions of a duality of creative industries. This multi-duality might be illustrated with the distinctions between “economic and cultural forces” (Sadler 1997:1919), “physical work” and “idea” (Throsby 2001), creative vs. “humdrum inputs” (Caves 2000), pecuniary and “cultural value” (Throsby 2001). It raises the question however, whether the singularity of creative industries lies in its overall innovativeness – creativity and other innovations possibly feeding into other – or in its creativity alone.

This was followed by a part concerned with synthesising two rudimentary and selective overviews over conceptual tools of systemic innovation studies and cultural economics. These overviews attempt to illustrate a series of compatible propositions beyond the mutual focus on the creation of novelty. Both economic disciplines further extend on neo-classical theory by drawing in institutions. They are both concerned with interactive learning processes and the related co-ordination efforts and knowledge spill-overs that occur outside of conventional markets or formalised information exchanges. Information goods and services such as creative works are arguably a most interesting case in which to apply and further develop these concepts. In this context, comparison in particular with other information services might inform cultural economics. A fundamental insight is that the significance of the creation of novelty cannot distinguish creative industries in an absolute sense from other economic sectors. The distinction might be qualitative – creativity being somehow different from other innovation – or quantitative – the innovation intensity in creative industries being greater – or both.

Taking account of both a) the various supposed dualities prevalent in cultural economists’ approaches to creative industries, as well as b) the pronounced externalities generated by content creativity, constitutes a main challenge in synthesising cultural economics with innovation theory. It is suggested, first, that innovation as concerning humdrum inputs and creativity should be carefully distinguished not least to allow investigation of their interplay. Secondly, it appears that the humdrum innovation in creative industries is roughly analogous to process innovation and creativity roughly analogous to product innovation. However, this analogy is obscured by the externalities generated in creative processes and by creative works. They appear to increase productivity elsewhere and thus to constitute product and process innovations simultaneously, without their significance as a product necessarily being proportional to their significance in benefiting other production processes. Thirdly, due to this double nature of creative works the classification of particular creative works as either innovations in a narrow sense – economically significant new creations – or mere inventions might have to take account of such indirect value creating effects.¹

The paper concluded by considering an adaptation of straightforward relative innovation intensity measurements from innovation studies through input and output

¹ This distinction might also be misleading, where in an insecure market environment exploration is conducted in ‘trial and error’ strategies and economical failures generate valuable information.

indicators. It was suggested that in order to do justice to the supposed multi-duality of the creative industries, creativity and other innovation should be measured separately, while allowing for an addition to measure overall innovation intensity. The obvious place to start would be one or several of the industries considered to be “core” creative industries. Depending on the data, results could allow for the comparison between data on the intensity of the creation of novelty in creative industries and that elsewhere in the economy. It could also facilitate comparison between various creative industries and between various types of actors within them. In time, this should shed some new light on the singularities of creative industries and, by implication, creative works in order to promote definitional efforts. For the definition of creative industries, these thoughts raise the question of whether cultural economists set out to define creative industries in an essentialist or relative way.²

Improvements in the definition of creative industries could inspire better statistics that might foster industries’ esteem amongst those not holding inflated expectations. Constructing comparable measurements could promote this cause if the assumption holds that the creation of novelty in creative industries is particularly intensive (and that the new ideas expressed make their way through society more pervasively than those entailed in most other goods and services). One way of exploring this particular innovation intensity in creative industries is the interplay between content creativity and other, e.g. technological innovation. If this interplay produces unique and/or extraordinarily many innovations of wider significance, creative industries might not only be a sign for urban development of the past, but also a driving force behind present and future development.

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² In the former case, creative industries would be such industries that would not operate without creative works. For example the phonogram industry might spend more on the administration of its operations than for their creative production. It would still be a creative industry, since its main product would be creative works (even if, e.g. merchandising, that is other creative products would create more revenue). Conversely, a relative approach would establish the relative significance of creativity and/or creative output in a firm or industry and determine whether it belongs into the concept creative industries by a threshold.

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Christian W. Handke is a junior lecturer and research assistant at the Centre for British Studies, Humboldt-University Berlin. He lectures on popular culture, cultural economics and on the UK financial system. His work experience includes cultural management at EXPO GmbH, the world exhibition in Hanover.

Martina Böse
Department for Linguistics, University of Vienna
martina.boese@univie.ac.at

Creative Industries training and urban regeneration – domestication versus empowerment

Abstract: Much polemic about the ‘creative/ cultural industries-hype’ in present day politics in Austria has stopped at a critique of the fuzziness of the term and of its celebration in neo-liberal policy discourses on cultural production. While delving also into the discursive use of the contentious term, the proposed paper will focus on various regeneration-related promises that have been attached to the ‘creative industries’ by policy makers and researchers alike and explore these with relation to different urban locales, namely Manchester and Vienna.

Starting from the socio-political context in which the term re-emerged in Greater London in the 1980s, that is importantly a concern with the democratisation of cultural production and distribution, I will go on to address the regenerative potential ascribed to the ‘creative industries’ in the urban context, drawing on different UK-related research and policy documents. Different examples of such regenerative effects need contextualizing here, such as the promise of a re-animation of formerly deserted and demonised city centres. Finally, the paper will turn to more recent examples of ‘creative industries’-discourse in Austria, and attempt to identify context-specific differences between the former and the latter. Where available, comparisons between specific creative industries-related projects in the two urban locations Vienna and Manchester will be used to illustrate these differences. The research informing this paper, stems on the one hand from my completed doctoral research project on racism and ‘diversity’ within the club culture economy in Manchester and on the other hand from ongoing research within an EU-funded project on contemporary cultural developments in different European cities, currently conducted at the University of Vienna.

‘Much has come to be expected of creativity and culture in cities today. Culture is supposed to overcome social exclusion and poverty by empowering individuals and neighbourhoods and by democratising and enlivening urban ways of living. Creativity is held up as a means of generating new ideas, new solutions and new ways of working on seemingly intractable social problems. Yet, despite this, the bottom line is that together culture and creativity are supposed to foster economic growth. It is a tall order.’ (Foord 1998, 38)

Introduction

In an urban planning lingo, ‘urban regeneration’ is described as ‘turning around deprived communities in deprived neighbourhoods to give them a sustainable future.’ The role of the ‘cultural/ creative industries’¹ in this process could be discussed under different headings, such as ‘urban renaissance’ (a concept with a heavy architectural focus that has been popularised in England by the ‘Urban Taskforce’)², ‘neighbourhood renewal’ (with a stronger social emphasis), ‘economic development’ (in England exemplified by Regional Development Agencies) or ‘cultural clusters’ (a popular catchphrase with city councils and urban developers alike). This paper will focus instead on the particular case of creative industries training initiatives and will explore through this example, how culture-led urban regeneration is related to the policy objectives of social cohesion and social inclusion. The aim of this paper is to reflect on the socially inclusive potential ascribed to the creative industries in this constellation.

To begin with, I will briefly address the historical context of the coupling of the creative industries with the topic of regeneration and social inclusion in the UK context. In a second step I will discuss some of the problems that have been identified with so-called culture-led urban regeneration projects with respect to their impact on social in/exclusion. In the third section, I will turn to empirical data gathered in Manchester and Vienna and introduce two projects that implement the recipe of social inclusion through training for creative work in different ways. Finally, the paper will tentatively relate an interpretation of these projects to the present discussion on employment in the cultural or creative sector.

The empirical examples drawn upon in this paper, stem mainly from my research on racism and ‘diversity’ in Manchester’s club culture economy, conducted between 1999 and 2001.³ The tentative example from Vienna comes from ongoing research, carried out within a comparative EU-funded project on ‘Changing City Spaces: New Challenges to Cultural Policy in Europe’.⁴

¹ For a discussion of the definition of the term in the UK context, see e.g. Hesmondhalgh 2002. For a discussion of definitional issues see the contributions by Wyszomirski and Handke in this reader. In the context of this paper, I will refrain from a definitional clarification of the term in general and adopt instead the terms used in the referenced sources respectively refer to specific sectors in relation to the empirical examples.

² See the online reports Urban Task Force (1999) Towards an urban renaissance (Urban Task Force, Department of Environment, Transport and the Regions, London). <http://www.regeneration.dtlr.gov.uk/policies/ourtowns/cm4911/index.htm> and Urban Task Force (2000) Urban White Paper Our Towns and Cities: The Future - Delivering an Urban Renaissance, <http://www.regeneration.dtlr.gov.uk/policies/ourtowns/cm4911/03.htm#5>

³ See Böse (2003a, b)

⁴ See the project website www.citynexus.com

Creative industries and urban regeneration: promises of inclusion and tales of diversity

In order to gain a better understanding of the rationale behind promoting the creative industries in the context of urban regeneration in England, it is useful to turn to their entry on the policy agenda of the Labour-led Greater London Council (GLC) in the 1980s. Manchester-based creative industries researcher and academic consultant Justin O'Connor characterised this step as the adoption 'of a rhetorical or polemical device to emphasize two points'. Firstly, that the cultural activities falling outside the public funding system and operating commercially, were actually important generators of wealth and employment, and, secondly, that the majority of cultural consumption (i.e. TV, radio, film, music) had nothing to do with the publicly funded areas of culture.¹

In O'Connor's words, the GLC cultural strategy involved an 'alternative economic' approach, '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'. (O'Connor 2000, 3). After the abolishment of the GLC, the 'creative industries' were living on through the cities, where they were considered as a twofold solution to the problems of urban decay and population decline, particularly in some of the post-industrial cities in the North of England. Firstly, they were seen as providing new opportunities to replace old manufacturing jobs in the aftermath of massive economic restructuring in the early 1980s and, secondly, they promised an end to the flow of capital and resources to London (O'Connor/ Wynne 1996). It was argued for instance, that regional cities could develop and sustain media industries of their own if only they invested in suitable policies designed to secure the appropriate local infrastructure.

In the late 1980s and early 1990s the 'management of urban change' became increasingly central in regional economic geography and urban planning debates. The notion of 'Cities in crisis' emerged, of 'urban governments (that were) facing rising problems with which they were unable to cope' (Healey et.al. 1995). Local authorities and other agencies began to be drawn increasingly towards cultural policies as a way of tackling these problems and attracting people into the deserted city centres (Wynne 1992, Bianchini and Parkinson 1993).

Beyond the recognition of culture as a motor for urban development, whether in a more consumption- or rather a production-focused strategy, an older theme re-emerged. Long associated with participation in the arts and culture and now attached to the newly branded 'creative industries': their vital role for the 'social and economic well-being of community and place', their value as tools for the 'creative construction of new senses of place'. Such a 'distinct sense of community and place' was found to be a 'necessary feature of an urban renaissance founded upon the cultural industries'. (Fleming 1999).

The postulated promise of social well being, social cohesion and inclusion as a consequence of creative (industries) activities can be found in numerous documents, of which a few examples shall be illustrated now. The first three examples are drawn from research and consultancy reports produced in Manchester in the late 1990s:

¹ While the first of these points remains the object of debate not only in the UK (see Pratt 1997, O'Connor 1999) and in Austria, the latter point is hardly contested. See e.g. Gabriele Stöger's chapter on Austria in this context in S. Rollig/ E. Sturm (2002).

‘A reliance on and participation in innovation, processes of creativity, networking, technological enterprise and a potential for employment equality, can provide the conditions for an increase in social cohesion and a constantly re-skilling labour force.’ (Fleming 1999) ¹

‘(T)he cultural industries provide a unique medium for social skills development, pathways to education and training as well as new business and community enterprise. Participation in cultural projects integrates the development of social and practical skills with self-expression, communication and creativity.’ (O’Connor 1999, 117)

Furthermore, the cultural industries are

‘credited for supplying jobs and a fairer and better networked and educated society (in the context of urban regeneration) through processes of social inclusion which engender civic pride and heighten self-esteem in the improved, ‘upgraded’, newly crafted urban fabric.’ (Fleming 1999)²

A need to invest into cultural activity as a means to combat social exclusion and deprivation, was also recognized in various papers and reports at federal government level, such as the ‘National Strategy for Neighbourhood Renewal’, proposed by the Government’s Social Exclusion Unit where ‘Promoting arts and sport in deprived neighbourhoods’ was one of the key ideas. This strategy followed a report of Policy Action Team (PAT) 10 on Arts and Sport by the Department for Culture, Media and Sport (DCMS), which suggested in detail the following measures:

- changing the objectives of the bodies that fund arts and sport projects – such as Sport England, the Arts Council of England and the National Lottery – to tighten their focus on social inclusion, especially in deprived neighbourhoods;
- encouraging local authorities to factor leisure, tourism and culture into regeneration activities; and to map leisure provision by ward to identify gaps; and
- ensuring active consideration across Government of the use of arts and sport to help achieve key outcomes in deprived areas. (Social Exclusion Unit 2000, my emphasis)

The socially restorative character of participation in cultural activities was acknowledged not only at the level of (leisurely) consumption, characteristically in combination with sports, but also at the level of production, as in this later report by the Social Exclusion Unit on ‘Preventing Social Exclusion’ (2001):

Sporting and cultural activities can help build self-esteem and respect for others, develop communications skills and teamwork, foster discipline, and can teach basic life-skills for those vulnerable to social exclusion. The Department for Culture, Media and Sport

¹ In the Executive Summary of the Eurocities Forum Third Report on Economic and Social Cohesion, there is interestingly no mention of culture or employment in the cultural sector, but rather on innovation and the knowledge economy. http://www.eurocities.org/eurocities/Documents/cohesion3_summary_en.pdf

² Fleming draws here on a Comedia report on ‘The social impact of participation in the arts’ from 1997.

(DCMS) now makes combating this 'poverty of experience' a key priority when negotiating funding agreements with its partners.

Among the different policy tools, that were developed top-down based on these claims, was the Single Regeneration Budget (SRB) for regeneration and social cohesion projects with cultural industries potential (Fleming 1999).

Finally, the hopes invested into the social impact of the creative industries complex contained also another presumably 'urban' element: cultural diversity. Chris Smith, then Secretary of State for Culture, Media and Sport, provided an indicative example of the rhetoric at issue here in his opening address to the Arts Council-organised conference 'Whose Heritage' in Manchester in 1999¹:

I'm pleased that we are in Manchester – not only a city of great cultural diversity but also at the forefront of using culture as a tool of regeneration of community in the city itself. Its cultural diversity plays a significant part of the regenerative process now underway in Manchester.'

The very coupling of the theme of regeneration with the notion of 'cultural diversity', employed twice in this short paragraph, cannot be dismissed as a mere tactical reverence to the conference agenda, but has indeed become a distinct element in the discourse on culture- and creative industries-led regeneration in England. While difference and diversity have long been considered as 'the essence and reality of urban experience' (Madani-Pour 1995), a growing body of texts on the (culturally) 'diverse' city has drawn attention to the ambiguous role of the 'stranger' or the 'Other'. Many commentators have characterised the presence of strangers as central to the 'urban experience'. On the one hand they interpreted them as providers of new and revitalising qualities to urban culture, a theme reflected indeed in many celebrations of urban multiculturalism, on the other hand as a source of fear and conflict (Mumford 1961, Davis 1990, Robins 1995, Sennett 1999), a recurring and popular discursive resource in right wing election campaigns.

The more recently growing interests of city administrations in marketing 'cultural diversity' have focused however on various otherized subjects in the particular role of carriers of creativity, as cultural innovators, not least in the field of creative industries production, particularly in music and fashion. The following extract from a brochure of the Foreign and Commonwealth Office on 'Ethnic Diversity', published in 1999, illustrates this persuasively:

'Britain's urban young are looked to by youth worldwide for their style in dress, appearance and music. That style owes much to the ethnic diversity of Britain's young people, which they can draw on and fuse together, resulting in a unique cross-over of ethnic and cultural influences. Youth culture is an important influence on the arts and culture, at home and abroad. The clothes on London's streets appear on Paris catwalks;

1 This conference was the third of a series of conferences called in by the Arts Council to address issues related to Britain's culturally diverse population and its representation within the arts. The first in this series took place in 1997, titled 'Re-inventing Britain', and engaged with Bhabha's theories on national identity, the second, 'Correcting the Picture' in 1998, addressed the invisibility of Black and Asian people in employment, especially in top management positions in the cultural sector. See www.artscouncil.org.uk.

the sounds young people create in dance clubs and warehouse parties end up on the music charts.'

It is well known by now that popular culture has moved centre stage as a resource in selling 'Cool Britannia' under the Blair administration. However, the particular role of Britain's postcolonial 'cultural diversity' in this marketing exercise would demand further attention. A discussion of the manifold problems that the persisting exoticization and commodification of various first, second or third generation immigrant (sub)cultures raises would however go beyond the remit of this paper.¹ Insofar as pertaining to the downsides of culture-led urban regeneration, they will be discussed in the following section.

What can go wrong in culture-led urban regeneration or when cappuccino meets CCTV²

The most well-known negative effect of culture-led urban regeneration is the displacement of low income residents due to an economic upgrading combined with a cultural revaluation of an area in the course of gentrification (Friedrichs/ Kecskes 1996). From Ruth Glass's observation of the 'troubles' caused by the displacement of local working class groups in 1964 to Sharon Zukin's analysis of Loft Living (1988), based on the increasing appeal of bohemian lifestyles to the middle-class in Manhattan, gentrification has become a much discussed phenomenon at the 'epistemological crossroads' of geography, sociology, political science and economics (Atkinson 2003)³. Towards the end of the 20th century, the amount of critical accounts on urban life was clearly on the increase and both the discourses on 'urban renaissance' and 'civic boosterism' of the 1980s and 1990s were heavily criticised for their euphemism.

With regard to much culture-led urban redevelopment an important point of critique pertained to its selective benefit. Along these lines, Graham (1995, 86) suggested for example, that the true 'beneficiaries of the redeveloped spaces were primarily city managers trying to 'reposition themselves on global networks by enhancing their postmodern urban imagery.' McGuigan expressed his gentrification-pessimism by suggesting that '(s)ervicing the tastes of an influx of young professionals and managers, may not be to the advantage of local working class, unemployed and marginalized groups, including ethnic minorities, whose spending power is not high', which he considered as 'one of the main tensions in urban regeneration strategies conducted through cultural policy.' (1996, 107) Since then much research and scholarship has pursued this concern with social justice and pointed to the imbalance between social costs and economic benefits of gentrification, while policy makers, urban planners and theorists have started conceiving new models of culture-led urban regeneration, aimed at avoiding or softening social inequity (see Atkinson 2003).

To name but one example of this outlook, Andrew Blake and Graham Jeffery have argued on the base of their research on representation and cultural policy in Newham and Eastleigh, that

¹ John Hutnyk's book 'Critique of Exotica' (2000) can be particularly recommended on this topic in the UK context.

² CCTV stands for Closed Circuit Television, which has become a common feature in many city centres in the UK over the past 10 years.

³ See e.g. the Special Issue of Urban Studies Vol. 40, No. 12, November 2003.

'If "cultural industries" (..) are to be the motor of urban renaissance, then the baseline for regeneration should be the experiences, aspirations and creativity of the resident population, not only the projected and polished "needs" of the corporate-cultural sector.' (Blake and Jeffery 2000, 5, my emphasis).

This leads us to another concept, used by Zukin (1995) to describe a particular approach of design-led regeneration, which deters 'undesired' - however local - clienteles not in explicit but symbolic ways. This 'domestication by cappuccino', whether strategically planned or not, depicts the displacement of social groups based on lifestyle displays and practices. It concerns not only the customers, but also the producers of city cultures, particularly those active in the field of 'alternative' and 'independent' cultures. Rather than strengthening for instance locally existing musical cultures, policy support for culture-led regeneration has often contributed to the sanitization and homogenisation of the culture on offer.

In many English cities, brewery-owned themed bars have, for example, replaced smaller venues and producers operating in the independent sector. Chatterton and Hollands (2002) observed such a removal of alternative scenes in their study of night-time economies in several Northern cities in England. Contrary to the nominal emphasis on the cosmopolitan and culturally diverse nature of cities, the new city 'cultural brand' often did not go beyond a mere incorporation of marginal groups into the corporate structures of the night-time economy. The 'corporatisation of difference' through 'gay villages' or Bollywood cinema, jungle and drum and bass nights has done little however to encourage social diversity or foster social cohesion. A similar argument was put forward in Gilmore's analysis of the Equality of Opportunity-approach of Leicester Council that foresees equality of access to cultural participation as a key mechanism for social inclusion and equal opportunities through arts and cultural activity. According to Gilmore, it is not only the promotion of particular art forms of particular communities however, that an acknowledgment of cultural diversity demands, but the recognition of Asian and black practitioners in all parts and positions in the cultural industry that is at stake.

The internal hierarchies of cultural/ creative industries have so far received relatively little attention. To name one of the rare examples, Jo Foord's research on the cultural production of Hackney in London put a particular focus on the black social economy and cultural production when engaging with the promises made in the 'creative city'- concept¹. Her findings suggested that the representation of cultural products and practices in a particular setting is highly dependent on the role being played and the decisions being made by cultural intermediaries in local economic development. By operating as

"economic interpreters", who promote "economic normalisation" these intermediaries 'identify existing and potential markets for creative ideas or products, spread knowledge of these amongst cultural producers, and facilitate producers' acquisition of business skills, attitudes and organizational structures.' (Foord 1998, 40).

The economic imperative under which the cultural intermediaries operate in the framework of cultural regeneration, leads to cultural choices that affect ultimately –and paradoxically - a

¹ As suggested by the policy consultancy group Demos/Comedia (1997-98) in their Working Papers on the Richness of Cities.

'normalisation' of the existing 'diversity and rich mix on which the creative approach to city economies is based' (ibid).

'By locking culture and creativity into economic regeneration, the values and practices of the market have become increasingly important in defining how cultural practices are undertaken and how they become visible at the local level. Such 'economic normalisation'TM thus begins to dictate which cultural practices and artefacts are included in the regeneration of the city. The role of new cultural intermediaries defines the boundaries to cultural diversity, what does and does not get included in the consumption of a multicultural city experience. (Foord 1998, 60)

As soon as 'ethnic goods' were offered to 'market normalisation', their cultural value was reduced to 'a little ethnic variety and the consumption of the 'exotic'TM: a pick-n-mix of cultural goods' (ibid.). The already mentioned incorporation of the 'ethnic Other' into the creative industries marketing scheme stands, of course, in stark contrast to the selective policing of those venues that are known not only for a 'black' or Asian music style, but for a 'black' audience.

Given the traditional association of the night-time economy (i.e. nightclubs, concert venues) in particular with transgression and illegality, it might not be surprising, that the increasing standardisation of the cultural sector came along with carefully devised strategies to render the workings of the involved industries more transparent and more secure or in other words, to enhance their control. The concern for 'safer cities'¹ has indeed become a central theme in the course of the reinvention of cities in the 1980s and 1990s in England. High security seemed to be considered a precondition for urban revitalization, as Worpole (1992) observed. Parallel to the process of reinventing cities in the 1980s and 1990s, media representations of youth actually worsened 'as images of youth were increasingly associated with urban and moral decay' (McRobbie 1994).

At the beginning of the 1990s the 'law and order paradigm'² for urban renewal was considered outdated (Worpole 1992) and the demand for a 'people-centred cultural strategy' increased, along with the call for a re-organisation of urban governance based on the assumption of partnerships where there was regulation before (Healey 1992, 1997). However, the increase in surveillance infrastructures along with the perpetuation of discriminatory policing practices through these new forms of governance, particularly in the night-time economy, turned out to be another downside of the growing integration of the creative industries into urban regeneration strategies. CCTV-surveilled city centres and venues together with selective raids in club nights that are deemed more 'troublesome' than others have led to a retreat from the newly regenerated city centres of those customers and producers in the night-time economy who are stigmatised as 'troublemakers' (Böse 2003a, b).

¹ This was the title of a project launched by the Home Office in 1988 'in response to increasing public concern about rising crime'. 20 British cities were researched for patterns and perceptions of crime (Worpole 1992).

² Redhead has referred to the 'cruder, oversimplified versions of this conception, (as one in which) the state, through law, is seen to be capable only of acting negatively – or repressively – against a group, class or individual. Power is conceived in much of this mode of theorising as a thing, an instrument, which is wielded by one group, class or individual.' (Redhead 1995, 8)

This trend towards increased surveillance has been interpreted in terms of an outcome of interurban competition, in particular between the old, 'grim' industrial cities that have seen considerable investments into a re-design of their image. (Belina/ Helms 2003). Rather than targeting 'real crime', the continued call for 'law and order' and 'zero-tolerance policing' appears as 'a moment of urban entrepreneurialism' that is aimed at 'making a safe and, perceived to be safe, city centre more attractive to consumers' (op.cit. 1863). The increasing responsabilisation of private agencies for security matters, on the other hand, tends to foster rather than diminish existing prejudices against certain social groups, defined as 'undesirables'. (Böse 2003b)

Those groups who are affected most by such stereotyping, criminalizing and hence excluding practice are also at the centre of the training and employment initiatives under discussion in the following section.

Social inclusion through 'creative training' - Radio Regen, Comm-U-Lab and DJ Academy
The hope invested into the regenerating potential of the creative industries, becomes evident in numerous industry training programmes addressed at unemployed young people, which have been set up across the UK as well as in other European countries. The examples to be discussed here have not been funded under a specific creative industries-support umbrella, but within a social inclusion agenda. Their primary outlook is to tackle youth unemployment through training for and participation in fields belonging to various fields of the 'creative industries'.

Case study I: RADIO REGEN

Radio Regen - 'Regen' stands for regeneration - is a community radio initiative in Greater Manchester. Legally a non-profit community, media and urban regeneration project, the project started in September 1998 with the training of the trainers. At the time of my interview with the project manager in April 2000, the first participants of the 14 months course were in the process of setting up community stations. Radio Regen is funded through the European Social Fund. Partners are the Manchester College of Arts & Technology, Manchester City Council, City of Salford, different local area partnerships, the Arts Council and a regional development agency. Radio Regen was set up by a former freelancing journalist for the BBC, who decided to do something about 'poverty and deprivation, exclusion. And cultural awareness.' His motivation was to pull together 'the radio and the political stuff'.¹.

The core of the project is a 14 months training course in radio production, involving the teaching of technical skills, the entire production process as well as basic know how about the industry. The course participants finish the project by setting up a community radio station. In the self-portrayal of the project - both on the project website² as well as in the interview with the project manager - we can identify several elements of the earlier illustrated discourse on culture-led urban regeneration, with a particular focus on neighbourhood and community renewal.

The website describes 'access' or community radio stations as

¹ Quotes from the interview, conducted in Manchester in April 2000.

² See <http://www.radioregen.org/> May 2004

'non-profit distributing, low power neighbourhood radio stations that exist to provide a platform for (mainly disadvantaged) communities' talents and aspirations. It is hoped that such stations will act as 'social cement' in areas where informal social networks have been eroded - a catalyst for regeneration connecting the work of groups and statutory agencies with the residents that they serve.'

The project participants or trainees are recruited primarily from urban regeneration areas. The self-proclaimed project aims are:

'to use radio as a tool to empower and excite local communities, by involving local people in the setting up and running of their very own community radio stations. Local groups are invited to get involved in producing material for broadcast.' (my emphasis)

The project also involves the collaboration of artists in the shape of

'a series of major community arts projects, in which professional artists work with local people to produce new pieces of creative work. The radio stations are used as a platform for this new work, which could be anything from a group inventing its own slang for the area to a mass radio-controlled percussion event.' (my emphasis)

Since the radio stations addressed here, are only based on temporary licenses, it appears crucial to point out, that

'The excitement won't be over when the stations are off the air - each station will leave behind the permanent legacy of a community media enterprise. These media enterprises will run further radio stations, and set up community newspapers and community web pages.'

Radio Regen also runs a women only radio training project and another 3 year project, called: Re-mix The Streets, which works along the lines of mobile youth work. It also 'aims to engage socially excluded young people in radio work, starting the process on the streets of Manchester.' Again youth and community arts workers are included in the development of the project framework 'made up of appropriate street projects.' The outcomes of this participative project are a music show, 'with the participants DJ-ing, rapping, choosing the music and operating the equipment.' In the end the participants are given a recording of the show, invited to attend regular sessions at a Youth Centre and to produce a piece of radio that can be broadcast on one of the project's community stations. Additionally, further advice is provided with regard to the transfer of the project experience to vocational or life skills.

Among the benefits of community radio, advertised by the project, are those at the individual level and those at the level of community. At the individual level, all participants are said to 'increase their access to employment through increasing their transferable workplace skills. Everyone who learns to make a radio programme finds skills such as problem-solving, teamwork, communication skills and ICT. Most of all, the involvement increases the participants' self-esteem which, among other things, enables them to apply for better jobs.'

At the community level, the project promises to

‘increase the capacity of disadvantaged communities to help themselves. It does this by re-establishing some of the informal communications networks that have been severely eroded by mass unemployment. This enables opportunities for community participation to be better publicised and negative media images challenged. The project’s work has been recognised as increasing the well-being of areas where it operates.’

An important feature that demands further attention is the additional promise of taking on a particular mediating role between the ‘hard-to-reach sections of the community’ and agencies from the community, voluntary and statutory sectors. These ‘range from senior police officers to social landlords to residents groups’, all of which are said to ‘benefit from the greater engagement of the public that this activity brings’.

To summarize, a number of elements can be identified here, that are characteristic of the particular role creative work is ascribed in this and many other projects of its kind:

- cultural activity is viewed as a means to regenerate and strengthen local communities
- (community) artists are commissioned as partners/ assistants in the project
- economic orientation towards an employment-focused skilling process (for production in the media sector), and
- political perspective of using these skills for self-empowerment, self-expression and participation in the making of mediatised images and discourses.

None of these elements seems particularly novel, yet it is their combination that I would like to draw attention to, as it precludes a swift dismissal of the project as a consequence of and cooptation with the neoliberal deregulation and privatisation of training and social welfare, alongside with the increasing economisation of culture.

On the one hand, the integration of the arts into community life is a well-known and popular recipe of urban revitalization strategies, and the role of the artist as ‘social worker’ (Sholette 2002) in the depicted community initiative recalls without doubt the category of ‘socially engaged economies’ (Mörsch 2003). On the other hand, the project manager of Radio Regen refrains from aligning the project in any way with the tradition of ‘community arts’, even though employing their very rhetoric to some extent. On the contrary, both the project manager and its addressees seem rather jaded by the imagery of social redemption through creativity and the arts that characterizes much policy discourse on the creative industries in England. This becomes evident in the following illustration of Radio Regen’s approach by its manager:

We are not asking them [i.e. the participants] to paint a mural. We’re not asking them to do the traditional stuff. (..) We’re not doing great big sort of: hey, you get some confidence-stuff at all! It’s about giving people a platform for their skills. That’s where

you start - If you can give people a platform, a safe space, but a real space. So it's gotta be- theirs! But it's also gotta be real for them to express themselves. And then they can be finding a platform, a place for themselves, in the creative industries!

The lack of incentives for and opportunities of getting involved in a field of cultural production at a professional level, were in fact considered a crucial obstacle by most practitioners who I spoke to in Manchester. Making a career in the 'creative industries' was hardly considered a potential source of (legal) income, especially by members of already marginalized social groups.

Viewing the publicized image of an inclusive field of employment, this is a noteworthy point that seems equally valid in other training projects that mediate skills in creative fields, as for example in the Vienna-based project Comm-U-Lab 2.0, that shall be briefly introduced now.

Case study II: Comm-U-Lab 2.0

Comm-U-Lab 2.0, based in Vienna, is an ESF-funded project, which is associated with the mobile youth work initiative backbone.¹ The name Comm-U-Lab 2.0, stands for CommUnity Communication and media lab.

Like Radio Regen

- the project is addressed to the category of 'socially disadvantaged youths' who are excluded from the labour market and resident in specific areas of Vienna, the Vienna objective 2-area;
- it provides training in media skills, soft- and hardware skills and communication technology, CD ROM and website production, video production, short films and animated short films, digital photo processing, flyer design and radio production, all of which can be subsumed to the creative sector;
- it is based on an understanding of media work as promoting communication skills, team work skills, networked thinking, communication of contents to the public, self organization, coordination etc,
- and thereby exploring and expanding employment perspectives as well as
- strengthening the participants' self-confidence and improving their social skills.

Similar to Radio Regen in Manchester, there is an initial phase with low threshold media work, followed by the possibility of dealing with different education offers and work situations. Building upon this base, Comm-U-Lab 2.0 offers entry possibilities into the primary labour market, for example through workshops and work placements. Other activities take place in public spaces such as talkshows, Park TV and media reports, including a radio programme on Vienna's Free radio station Orange 94.0.

In a more pronounced way than Radio Regen, Comm-U-Lab also pursues a gender sensitive approach. One example of this work was the gender specific project 'Aktion Käfig', which dealt in an interventionist way with gender-specific access to public space. According to its profile, the project Comm-U-Lab 2.0

¹ See <http://www.backbone20.at/commulab/>

- is designed to fit the needs and problems of young people and
- reacts to the deficiencies and developments in the area of training and education.

Both examples of a third sector initiative taking over responsibilities in the area of training are of course not all novel, but on the contrary rather symptomatic of the often observed, general shift of responsibilities from a retreating state to third sector agencies. A question that might be raised here is, for example, whether these services in the public interest - in our case a training measure in particular creative (industries) skills – should be recognized as formal training beyond their importance as an employment measure for unemployed young people? Or, whether such a formalisation would simply service the ‘cultural utilitarianism’ observed by Sholette (2002) which ultimately leads to a loss of spaces for action (Selwood 2002, quoted in Mörsch 2004, 72)?

Given the shared features of the two mentioned projects, to which many more could be added, another potential could lie, of course, in the transnational interlinking of such projects for the purpose of exchange and possibly collaboration on various counter-hegemonic projects. Based on my research in Manchester and in Vienna, I would suggest, that a demand for such international exchange exists.

Case Study III: DJ Academy

The third case to be introduced here is the Manchester-based project DJ Academy. It was set up in 2000 by two long time practitioners in Manchester’s music industry, one experienced as DJ, promoter and band manager, the other one as musician and manager of a recording studio, which happens to be located in Manchester’s cultural quarter, the so-called Northern Quarter. Having met each other by chance in the corridors of Manchester Townhall, when trying to gain funding for a DJ training project, they decided to collaborate on a bid for ERF funding, which was then matched by the city. They conceived the training course as an extension to an already existing course, called ‘Music and Open Learning Division’, which was operated within the New Deal scheme for musicians.

Introduced in 1998 as a key element of the Welfare to Work programme, the New Deal initiative foresaw the compulsory participation in a full time education programme after six months of unemployment. In governmental terminology, this initiative ‘is helping to prevent long-term unemployment and is giving people access to the training and skills they need’ (Social Exclusion Unit 2001, 43). Its target groups are young people who have been unemployed for more than six months, older people who have been unemployed for more than two years, lone parents and people with special needs. Put more succinctly, the New Deal scheme is ‘aimed at getting young people off the unemployment statistics’ (Blake and Jeffery 2000, 7).

Different from the previously discussed projects, the DJ Academy aimed at a 50% share of participants from so-called ‘ethnic minorities’. One of the two project managers presented this remit mainly as being ‘based on ethos’, very eager to set the project apart from affirmative action initiatives, while the other manager emphasized the importance to counteract racist exclusion in the music industry. The demand for places in the DJ Academy quickly exceeded the supply of places. The recruitment of participants occurred partly

through the project managers' personal networks in various local communities, partly through New Deal advisors, since the project was also run as a New Deal (match-funded) initiative and therefore addressed to young, unemployed people.

Besides providing these young people with skills, a rationale of the DJ Academy was also to provide a formal recognition of these skills (as a DJ). This should help to 'legitimize a career route', that has so far lacked any formal recognition. The project therefore aimed at raising the profile of working at the ground level of the music industry, or more precisely: of the dance music sector. However, the practical value of such a formal qualification in terms of helping to find a job is admittedly low, as one of the 'inventors' of the DJ Academy conceded. This leads us to some more fundamental questions related to employment in the creative industries, which shall be addressed in the next section.

'New' spaces for the development of workplace politics?

Much of the criticism discussed in the second section of this paper, focused on the use of urban space in terms of consumption. For a consideration of the training initiatives introduced in the previous section, we need to turn to more recent analyses of employment conditions in the cultural sector, which will most likely answer the rhetorical question, how attractive it is to be working in one or the other creative industries sector, by: Not really.

Rather than gaining freedom through the loss of 'old workplace structures' or benefiting from a blur of work and leisure interests and time, the workers in the 'creative sector' suffer in fact from absent structural provisions and a shift of responsibility to the individual. (McRobbie 2002b). A growing body of research on employment in this creative sector, suggests that most of these jobs fall into the category 'precarious': offering the dubious benefits of new-or rather pseudo-self-employment, hardly secured, often part-time, fixed-term, under so-called flexible working regimes which tend to translate into patterns of self-exploitation etc. (e.g. McRobbie 2002a, Voß/Pongratz 1998)

Education and training, which build the structural framework of young people's lives (MacDonald 1997), and in particular youth unemployment measures, as those discussed above, can be accomplices in this development, if they serve to shift the responsibility for work-based destinies entirely on the individual as 'the author of his or her own career biography'. MacDonald, a UK based researcher of youth unemployment, suggested that

In an environment within which class arguably continues to impart a major determining role in the construction of work-based destinies, the emphasis on the individual as the author of his or her own career biography plays a proactive role in reshaping people's social aspirations according to the ideological principles of individualism. (...) individual success arguably appears to become the be all and end all of social life. (MacDonald 1997, 40)

The rationale of 'facilitating people to make changes within their own lives', rather than providing extra jobs or benefit increases (Haylett 2001) is a criticism that has been specifically addressed to the neo-liberal New Deal scheme, and applies also to the earlier introduced DJ Academy. It corresponds to a work ethic, that can be identified as part of the

‘social cohesion-through-employment-in-the-creative-sector’ package, as conceived by the Blair-government and reproduced in much discourse on ‘culture-led urban regeneration’, whether at policy or at consultancy level:

The new work ethic functions as an ideological means of combating social exclusion. It extends to incorporate disenfranchised sectors of the population. Getting people into work as a strategy of government becomes also a definition of government. It requires that people become more entrepreneurial, irrespective of their education, skills or expertise. ... (T)he model of creative work epitomizes the talent-led economy which the Blair government favours and wants to see more widely extended. The combination of youth, talent and culture is a heady mix providing Blair with an egalitarian gloss, especially when some of the successes ... come from poor or disadvantaged backgrounds. (McRobbie 2002a, 100)

This brings us back to the earlier raised question of the role of the third sector in this context, particularly when offering training for the creative sector. Instead of offering an answer, I would like to argue here for the consideration of another closely related issue that is workplace politics.

In her analysis of employment in the creative industries, McRobbie (2002) has drawn attention to the ‘marked absence of “workplace politics” in terms of democratic procedures, equal opportunities, anti-discrimination policies and so on’.

At the level of equal opportunities, access to employment is a central issue particularly in the creative industries. As various studies of the local contexts of cultural production have documented (Graham/ Jefferey 2000, Böse 2003b), the highly networked character of the sector and the informal character of – mostly ‘on the job’ - training in the industry facilitates excluding practices on behalf of potential employers or contractors. Contrary to many expectations, the hope invested in the creative industries as a niche to be filled with different minorities and marginalized social groups, has therefore never come true. Existing power relations and exclusions, whether based on social class/ milieu, gender, ethnicity, to name but a few, are in fact reproduced. Several analyses of employment in different sectors of the cultural/ creative industries have drawn attention to the role of power relations and gatekeeping practices in these sectors, including the role and influence of cultural intermediaries on distribution and publication channels.¹

Returning to the example of the DJ Academy, its possibly most valuable service is therefore the access it provides to the local industry network. Through the very design of the training measure the participants can make contacts with industry practitioners, as they are the trainers on the course. However, we might ask, does this approach not reinforce the responsabilisation of the trainees for their work-based destiny, as argued in the above mentioned criticism by Haylett (2002) and MacDonald (1997)?

¹ See e.g. Foord 1998, Hutnyk 2000, McRobbie 2002a, b, Milestone/ Richards 2000, Negus 2002.

To address this question, I would suggest to turn to another text by McRobbie, in which she identified an 'analytical collapse' of two distinct trends, that is individualisation and neo-liberal values.

'It is too easy (and itself something of a fashion) to disdain the new intimacy between culture and commerce. (..) The key point here is that changes in the workplace – the end of fixed location, duration of employment and visible hierarchies of power and responsibility – do not necessarily have a unitary political meaning. On the contrary, it can be argued that individualisation, as manifest in the working practices of the cultural sector, must be separated from neo-liberalisation. It is only by investigating individualisation-as-lived that we can recognise the possible spaces it opens up for challenging the government-led neo-liberal model of arts and culture.'(McRobbie 2001, my emphasis)

She goes on to argue, that

'What the new creatives need are clubs that provide old-fashioned social services. (..) The question, then, is not how to reverse cultural individualisation but rather to think both with and beyond it. This will require defusing the timebomb of a fully freelance economy, by broadening the social capital underpinning creative work, and by galvanising the capacities among young people for self-organisation.' (op.cit.)

While acknowledging that 'the "talent-led" economy has indeed facilitated the emergence of new inequities', McRobbie recognizes at the same time a 'utopian dynamic' within the 'novel ways or working', which can lead ultimately to the 'desire for creating a better society'. The very 'inequities and failings of the cultural economy' are, according to this perspective, productive in creating the energies of 'social individuals', upon which such a utopian project would depend.

Although McRobbie's reading seems to resonate with other acknowledging gestures towards the 'politicising and therefore positive' effects of otherwise critical and criticised political change, it deserves further attention, as it allows us to assess the political potential of the discussed training initiatives. According to McRobbie's analysis, the critical resource for the so-called 'new cultural workers' is access to information and analysis, in order to make use of existing analysis, the 'work of subversive counter-currents', and 'alternative modes of thinking and feeling'. She sees 'no shortage of older social scientists and feminists willing to partake in a dialogue with young people who want to improve the world of new cultural work'. The suggested proceeding includes the nurturing of alliances of 'new labour' (McRobbie recognizes the irony of the term) on a fluid international basis, and the formation of information and resource networks, free of political and corporate manipulation.

The call to self-organisation in this sector and related activities is not all that novel, yet no less relevant as before. At a micro level such bottom-up initiatives can already be identified also - and maybe particularly - where top down creative industries promotion are being developed, too. In Manchester, such initiatives emerged for example within different segments of the dance music economy in Manchester, organised in some cases around shared experiences of exclusion (based on gender, ethnic background, ..), in others around different

community interests. A noteworthy feature of some of these initiatives was that they were developed alongside or rather in spite of the newly set up Creative Industries Development Service (CIDS), an agency that had been established with funding partly from the ERDF, through an application by the Manchester City Council. CIDS is co-ordinated through a partnership with the City Pride local authorities, the Regional Arts Board, the Manchester Investment and Development Agency Service (MIDAS) and Further and Higher Education and cultural industry representatives. (O'Connor 1999, Fleming 1999).

The principal objectives of CIDS were to raise the profile of the cultural sector in Greater Manchester, and to 'provide a voice and strategic forum for the creative industries by acting as a sectoral lead body', improving internal cohesion and self-awareness as well as acting to the outside as a port of call for information about the sector. However, the strategy of connecting existing networks and offering advice where articulated, did not seem to be sufficient or to be recognized as a port of call by all its addressees, in particular by those practitioners who felt marginalized within the creative sector.

Concluding Remarks

Whether the proclaimed inclusive potential of work in the creative sector can be realized through the training initiatives discussed in this paper cannot and shall not be answered on the base of the discussed examples. What can be stated with sufficient certainty, however, is that for marginalized social groups to be integrated into an industry that works along highly exclusive and network-dependent parameters, the mere acknowledgement of the regenerating value of popular cultural production will not suffice. A training initiative that is based upon a deep understanding of the needs and expectations of its target group, as seems to apply to the presented examples, promises a higher level of support and a more sustainable contribution to regeneration than any quick-fix 'creative industries promotion'.

In conclusion, I would like to argue, that the discussion of training for employment in the cultural/ creative sector should not be reduced to the contention that countercultural work concepts are subverted by utilising them economically. Instead these training programmes might be viewed as a base for the development of workplace politics in a sector that needs them rather sooner than later. The Vienna-based mobile youth work project backbone 20 produced a video that aims at awareness raising on the rights of apprentices (titled "Know Your Rights")¹. More recently, some of the youths in the presented project Comm-U-Lab 2.0 have produced a video, which includes an interview with an events manager and explores his work practice. These examples are symptomatic of a strategy that combines the training in creative technologies with a political sensitisation, which could be extended to refer more specifically to the very structural parameters of working in a creative industry sector and to developing strategic alliances towards their reformation. Projects like the ones discussed in this paper have been set up by cultural practitioners/ workers/ artists. Independently from the perspective that they might provide paid work opportunities for artists that have been starved of art subsidies, such projects need to be further developed, promoted and subsidised adequately and long-term. They could be viewed as a contribution to tackling discrimination

¹ commissioned by the Chamber for Labour-section Apprentice and Youth Protection in 2000.

within a sector that is easily mistaken as inclusive and more accessible than others, due to its generally more informal entries and training practices.

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Martina Böse is research assistant in the interdisciplinary EU-project 'Changing City Spaces', conducted at the Department of Linguistics at the University of Vienna. Prior to completing a PhD in sociology (on racism in Manchester's club culture economy) and teaching at Manchester Metropolitan University, she participated in Vienna-based research projects on migration and self-employment.

Monika de Frantz
European University Institute, Department of Social and Political Sciences
monika.defrantz@iue.it

Cultural regeneration as discursive governance: political decision-making on the Vienna 'Museumsquartier' - with a comparative perspective on the Berlin 'Stadtschloss'

Abstract: Responding as well as actively constructing a climate of economic competition, urban policy makers use cultural flagship projects as symbolic strategies promoting economic development in the knowledge economy while at the same time mobilizing political support. But the plural symbolic nature of culture not only serves to combine conflicting interests within a collective growth effort turning plural cultures into a shared local cultural industries base. For, the deep symbolic meanings attributed to urban culture can also enhance contestation and conflict beyond the initial regeneration plans. The political controversies about Vienna's new cultural district 'Museumsquartier' and about Berlin's planned 'Stadtschloss' illustrate how the leaders of two different European capital cities struggle for a collective cultural vision, as they are both challenged by spatial restructuring processes associated with globalization, regional integration, and state transformation. Instead of implementing one coherent political strategy, the city, its architecture, collective memories and spatial frames are ultimately shaped by pluralist symbolic conflicts that negotiate diverse meanings, values, and tastes. The case studies show that urban flagships are not merely spatial expressions of preexisting political economic interests determined by larger capitalist globalization structures and permeated in the built cityscape. As contextual outcomes of local discussion processes reflecting diverse urban meanings, the cultural discussions leading to the political decision-making on the two flagships, contributed to the political redefinition as European capital cities beyond the immediate realization of the cultural projects.

1. PROBLEM

- the concept of 'creative industries' from a political science perspective on urban development

2. RESEARCH QUESTION & CONCEPT

- political decision-making on two cultural flagship projects: the 'Museumsquartier' in Vienna and the 'Palast der Republik/Stadtschloss' in Berlin

3. RESULTS & CONCLUSIONS

- Using the concept of 'creative industries' in plural urban contexts?

PROBLEM

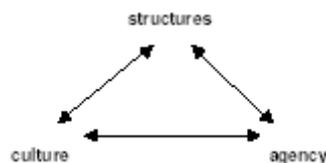
- § 'creative industries a measure for urban development' or 'urban development a measure for creative industries'
- economy/politics/culture
 - does urban development competition determine a collective political interest in an economically useful culture?
- § As every political strategy urban development implies interest conflicts and choices
- winners and losers of urban growth policies
 - gains and costs of cultural strategies for 'creative industries'
- § A constructivist approach to cultural urban regeneration
- against uncritical use of term 'creative industries'
 - contextualizing political research on urban development instead of preassuming an economically determined strategy
 - tracing the political process at the input-side of cultural urban strategies

RESEARCH QUESTION & CONCEPT

Research assumption: In addition to externally determined political economic changes of the urban context, these restructurings find reflection in urban cultural politics through a dynamic, fluid, and open-ended process of institutional self-transformation that can facilitate collective political action.

Question: In a context of globalization challenges and multi-level European integration processes, how do cultural regeneration strategies facilitate political efforts for urban collective action?

Triangular dimensions of collective political action:



A variable analytical framework for urban collective action:

<u>Research function</u>	<u>conceptual dimension</u>	<u>variables</u>
Context	local structures	centralized / plural institutions
Case study	political agency	realized / not realized cultural flagship
Research focus	cultural identifications	integration / contestation process

Comparative case study of cultural aspects of collective action:

<u>Flagship case</u>	<u>structural context</u>	<u>political agency</u>	<u>culture dynamic</u>
Museumsquartier	Vienna: strong institutions	realized (in 2001)	?
Schlossplatz	Berlin: weak institutions	unrealized (by 2004)	?

CONCLUSION

- Culture - a measure for urban development?
Yes, but what measure...
- Urban development - a measure for culture?
Yes, but not the only one...
- Urban collective action as discursive governance
 - o Urban politics: economic development competition subject to reflective political deliberation
 - o Urban culture: creative industries subject to plural symbolic identifications

Monika de Frantz graduated in 1995 with a Master (Mag.phil.) in Political Science from the University Vienna, studied political theory at University Aix-Marseille, urban sociology at Humboldt University Berlin, and has a postgraduate degree in international and European relations from University Amsterdam. At present she is about to finalize her Ph.D. thesis in Social and Political Sciences at the European University Institute (EUI) Florence. She conducted theoretic and empirical research on urban and regional politics, European identities and social movements, in particular focusing on cultural regeneration and symbolic politics in Vienna and Berlin. In addition to contributing to various international conferences (ECPR, EURA) and publication work (IJURR, IJIS, Peter Lang) she has done research and policy consulting for projects of her department at EUI Florence as well as for government institutions, business, international organizations and local politics. Her professional interests focus on urban and regional politics, multi-level governance, European integration, political discourse and identity mobilization, institutional transformation in comparative social and political sciences.

Selected publications:

- Keating, Michael; de Frantz, Monika: Culture-led strategies for urban regeneration: a comparative perspective on Bilbao. In: IJIS International Journal of Iberian Studies, Intellect Ltd., Special Issue on Bilbao (forthcoming 2004)
- de Frantz, Monika: Cultural regeneration as discursive governance: the political debate about the new Vienna 'museums quarters', Paper presented at EURA Eurocities Conference, Budapest, August 2003 (submitted to IJURR International Journal for Urban and Regional Research, Blackwell - status: 'revise and resubmit')
- de Frantz, Monika: Multi-level urban culture: identifying the new capital city through different spatial conceptions of its center – the Palast der Republic / Stadtschloss in Berlin, paper presented at Second EuroConference "The European City in Transition", Bauhaus University Weimar, November 2002 (forthcoming publication as chapter in edited book with Peter Lang)