Cultural Policy: Creative Cities, Creative Industries, Creative Economies
The cultural industries cannot be understood without reference to cultural policy, and vice versa. As the cultural industries grew in the mid-twentieth century, national cultural policies came to be formulated primarily as a defence of art against the commercialisation, industrialisation and commodification of culture, along with the more traditional function of fostering national identity. At the same time, government subsidy and regulation of culture (including perhaps most importantly cultural education) provided an essential resource upon which commercial cultural industries could draw. In the 1970s and 1980s, some progressive policymakers and academics began to question both the national-identity and anti-commercial rationales, on the grounds that they privileged elite, high culture. At the same time, in line with the information society discourse discussed in earlier chapters, some governments started to see the growing amount of leisure time and expenditure as one way of addressing the declining role of manufacturing industries in ‘post-industrial’ and de-industrialising cities and nations. As we shall see, new forms of cultural policy developed in the cities of the global north, initially under the banner of ‘the cultural industries’, but where the commercial cultural industries increasingly came to be grouped together with a variety of other, often subsidised arts-based activities such as theatre, music and dance. These policy initiatives were developed almost entirely by social-democratic local governments, mainly in post-industrial cities. Meanwhile, urban policymakers had been showing an increasing interest in cultural production and consumption for some time, and culture and creativity had become increasingly tied up with efforts to achieve economic growth in cities, as part of ‘creative city’ and other related initiatives. Eventually national-level policymakers picked up on this idea of combining cultural policy with economic policy, and a very influential version, developed by the United Kingdom’s Labour Party, used the term ‘creative industries’. ‘Creative industries’ policies spread across the world, mutating as they did so, and producing strange offshoots and hybrid notions such as ‘the creative economy’. Often these policy developments involved a problematic merging of the arts and the commercial cultural industries with the growing IT and telecoms sectors, and sometimes incorporated into another dubious notion, ‘the digital economy’. Tax incentives became a crucial but problematic element of how governments sought to govern and regulate culture.

These developments constitute an important part of the story of how the cultural industries changed, because they represent a further way in which culture became subject to economic pressures – including the sector of subsidised arts
that had previously made up a major part of cultural policies in the global north in the late twentieth century. In that respect, we see more evidence of marketisation, and we also see an increasing detachment of culture from the emancipatory role that some had ascribed to culture from the eighteenth century onwards.

**BOX 7.1 WHAT IS CULTURAL POLICY?**

The term ‘cultural policy’ is often used, in the Anglophone world at least, in a rather narrow sense, to refer to the subsidy, regulation and management of ‘the arts’ and the protection and maintenance of ‘heritage’ and historical artefacts. Cultural policy in this restricted sense had its origins in the founding of state-funded museums, galleries and theatres in the nineteenth century, but took its distinctive modern form in the years after the Second World War, when national and local governments began to take on an increasing role in supporting and subsidising arts and heritage, often with the explicit aim of protecting older artistic forms and of celebrating and reinforcing national artistic traditions. Since the 1970s, cultural policy has grown considerably beyond these origins (see Bell and Oakley, 2015), and the felt need on the part of governments to respond to the presence of the commercial cultural industries (centred on the communication media, as we discussed in Chapter 1) has been the major factor in the transformation and expansion of this domain. Confusingly, this still does not mean that ‘cultural policy’ is used to refer to policy related to culture in the broader (but not excessively broad) way that I define it in this book (see section 1.3), so that, for example, it might include policies related to television, radio and newspapers. Policies related to these industries would normally come under ‘media policy’ or ‘communication policy’. Instead, as we shall see, cultural policy has become a rather bizarre hotch-potch of elements, with the expansion of digital media and an increasing interest in culture in urban policy creating further confusion over definitions.

7.1 Cultural industries and the city

Relations between the cultural industries and cultural policy (see Box 7.1 for a definition of this term) need to be understood in their long-term historical context. In many countries, government subsidy for culture has tended to go to the ‘classical’, legitimated arts.¹ Throughout the post-Second World War era, in many countries, there were various struggles to include more groups in the ambit of funding in the name of democratisation. In the UK, for example, funding for the ‘fine arts’ was gradually expanded to the arts more generally, and then beyond these to include traditional crafts, such as pottery and ‘folk’ arts. In the 1970s,

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¹ The two principal exceptions were public broadcasting systems, as discussed in the previous chapter, and film.
there were ‘community arts’ movements, and in the 1980s, an increasing emphasis on multiculturalism. The content of subsidised ‘legitimated’ culture has shifted over time – independent ‘art cinemas’ came to be funded and subsidised alongside the opera and regional theatres, for example. One of the reasons that Jack Lang became an internationally famous Minister of Culture in the 1980s and 1990s was that he attempted to extend French cultural policy to forms that had previously been excluded, such as rock, hip hop and rai (Looseley, 2004: 19).

7.1.1 The Greater London Council and leftist cultural industries policy

The seminal introduction of the concept of the cultural industries into cultural policy represented a more radical revision of cultural policy than the democratic spreading of arts funding described above. This took place at the left-wing Greater London Council (GLC) in the early 1980s until the Council’s abolition by the British Conservative government in 1986. This policy thinking was directed against elitist and idealist notions of art, but was also a challenge even to those left-of-centre activists and policymakers who had concentrated on expanding the field of arts subsidy to include new groups. Instead, it was argued by some associated with the GLC, cultural policy should take full account of the fact that most people’s cultural tastes and practices were shaped by commercial forms of culture and by publicly funded media such as public service broadcasting. The motive behind this perspective was not to celebrate commercial production, but rather to incorporate a recognition of its centrality in modern culture into cultural policy. One key position paper (written by Nicholas Garnham and reprinted in Garnham, 1990) argued that, rather than concentrating on an artist-centred strategy that subsidised ‘creators’, policy should instead focus on distribution and the reaching of audiences. This argument reflected the emphasis on the centrality of circulation or distribution in the cultural industries tradition of political economy and the importance of thinking about the distinctive characteristics of primarily symbolic production and consumption (see Chapter 2 of this book). The practical implications of such thinking, according to Garnham’s paper, were that ‘debates, organisational energy and finance’ ought to be redirected towards the following cultural practices:

- Broadcasting – which Garnham described as the ‘heartland of contemporary cultural practice’.
- Libraries – which were the recipients of over 50 per cent of all public expenditure on culture at the time in the UK.

There were significant precedents at the international level, in discussions of the cultural industries as part of UNESCO (see UNESCO, 1982), but these had no direct impact on national and urban policy in the advanced industrial countries. For a fuller account of the Greater London Council moment, and its relation to leftist thinking about cultural policy, see Hesmondhalgh et al. (2015: 22–23).
• Providing loans and services to small- and medium-sized cultural businesses in London for the marketing and dissemination of their products (Garnham, 1990: 166).

There was however a second major element to the GLC strategy: the use of investment in cultural industries as a means of economic regeneration of the decaying post-industrial urban spaces of London. As Garnham pointed out in a later retrospective (2001), this had no necessary connection to the quite separate argument about shifting the focus of policy from the artist to the audience. It was also less novel, in that the use of cultural initiatives to regenerate cities was under way elsewhere (Bianchini and Parkinson, 1993). Such policies were often directed towards the boosting of tourism and/or retail in an area or making an area attractive as a location for businesses, rather than the democratisation of cultural provision. In the late 1980s and 1990s, such strategies boomed and spread across the world. Notable cases included Glasgow’s remarkable success in becoming the European City of Culture for the year 1990 and reinventing its image. Super-expensive flagship projects, often based on adventurous architecture, proliferated. The best-known example is probably the Guggenheim Museum in Bilbao, opened in 1997, which succeeded in making post-industrial Bilbao a tourist attraction. Such projects have been controversial locally, but criticisms are rarely heard internationally.

7.1.2 Creative cities and creative clusters

Because the GLC was abolished by Margaret Thatcher’s Conservative government with effect from 1986, its cultural industry policies were never implemented in London. All the same, recognition of the economic and cultural importance of the cultural industries had a big impact during the next two decades. Starting with metropolitan local government administrations in the United Kingdom that shared the socialist values of the Greater London Council, and then spreading beyond them, more and more cities adapted ‘cultural industries’ policies, especially in the form of developing ‘cultural quarters’ aimed at providing a base to develop new employment opportunities centred on this growing economic sector and also new leisure facilities that might draw or retain creative bohemians. In the latter aspect, these new cultural industries policies were drawing on an increasing ‘cultural turn’ in urban policy which did not always share much with the GLC’s pragmatic anti-idealist egalitarianism. In fact, in many cases, the idea of cultural industries policy chimed with a fast-growing neo-liberal desire in the 1980s and 1990s to think about all areas of public policy, including culture and media, in terms of a return on public investment. This was fuelled by increasing doubts, as a result of the sociocultural changes discussed in Chapter 5, about the legitimacy of ‘high cultural’ forms. In this context, the use of money to promote ‘ordinary’ culture was seen as anti-elitist. Although such cultural populism undoubtedly contributed to the popularity of cultural industries policies with many left-wing councils in Europe, it went considerably beyond that base.
So it was that in the late 1980s, shaped by economic neo-liberalism and a breaking down of longstanding forms of cultural hierarchy (though by no means the end of cultural hierarchies themselves), the notion of the cultural industries or the cultural sector became increasingly attached, in a new era of local and regional development policy, to the goals of regeneration and employment creation. It was this second element of GLC policy that was often emphasised, not the first, but it was now bound up not only with culture-led urban regeneration strategies but also with an increasing emphasis on entrepreneurship (see Box 7.2) in the private and public sectors. In a pamphlet written for the think tank Demos, for example, Charles Leadbeater outlined the way that entrepreneurs in the cultural industries provided a new model of work and a key basis for local economic growth in that their local, tacit know-how – ‘a style, a look, a sound’—showed ‘how cities can negotiate a new accommodation with the global market’ (Leadbeater and Oakley, 1999: 14). The view that independent cultural production might be connected to wider movements for progressive social change, implicit in at least some of the GLC work, was by now being steadily erased.

**BOX 7.2 ENTREPRENEURS, ENTREPRENEURSHIP AND ENTREPRENEURIALISM**

An entrepreneur is someone who sets up an enterprise or business, but in its modern uses the term is loaded with positive connotations. Entrepreneurship has been endlessly endorsed and celebrated in business commentary and education, and in government documents. An important variant of neo-liberal thought derived from the writing of the Austrian economist Joseph Schumpeter places special emphasis on the role of (mainly individual and rather heroic) entrepreneurs in countering what he and others saw as a tendency towards bureaucracy and ‘a rationalist desire to control the future’ (Davies, 2014: 42) in modern capitalism. Risk-taking entrepreneurs develop new products or technologies, and are able to generate exceptional profits, before other firms catch up. This strand of thinking was developed by later economists influenced by Schumpeter, and it appealed not only to economists who celebrated competitiveness but also to countercultural critics of the power of the state and large corporations. It placed special emphasis on technological innovation rather than other dynamics, and therefore seemed to fit with the importance attached to technology in contemporary societies. As a result it became popular across political divides in the late twentieth and early twenty-first century. Entrepreneurs increasingly came to be seen as the main force bringing

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1 Leadbeater had been a figure associated with the left-wing GLC, but by the late 1990s, he was linked to British Prime Minister Tony Blair’s centrist ‘New Labour’ project – see Hesmondhalgh et al. (2015).
creativity, innovation and dynamism to modern economies and societies. The term for the belief in entrepreneurship as an economic and ultimately a social good is **entrepreneurialism**. However, entrepreneurialist policies, with their emphasis on risk and constant change, may compromise other notions of the good, such as stability, security and sustainability; and as Kate Oakley (2014) points out, there is an increasing tendency in modern economies towards 'forced entrepreneurship,' where people are compelled to undertake risky business projects, and the cultural industries are a particularly notable site of such compulsion (see also Chapter 13).

A crucial further connection was with new developments in arts policy, whereby institutions increasingly sought to legitimise their funding on the basis of its contribution to a somewhat uncomfortable and potentially contradictory mixture of economic and social goals. An influential, though not uncontroversial, report by economist John Myerscough (1988), for example, put the cultural industries together with the arts and analysed how they contributed to job creation, tourism promotion, invisible earnings and urban regeneration. Alongside such developments, many arts policymakers also sought to justify arts subsidy on the basis that the arts – and the cultural industries increasingly linked to them in policy discourse – could contribute to combating **social exclusion** – a new term that spread like wildfire through European social policy in the 1990s and 2000s. Some analysts see social exclusion as a term that allows those who use it to avoid a consideration of deep-seated structural inequalities, including class (see, for example, Levitas, 1998). These developments were to have an important effect at the national policy level, as we shall see.

This is not to say that all such local cultural industries policies were ineffective and represented an accommodation with neo-liberalism or with new centrist forms of policy. In some cases, policymakers, with a genuine desire to promote new and interesting forms of cultural activity within an area and provide support for struggling entrepreneurs and practitioners, could persuade local government to provide funding by talking about the regenerative possibilities of cultural industries development. In the northern English city of Sheffield, for example, such policies were able to support local infrastructures, to the lasting benefit of symbol creators who wanted to work in the city (see Frith, 1993). However, the economic and social effectiveness of local cultural policies orientated towards the cultural industries remains controversial. It surely made sense to emphasise the importance of the cultural industries to a news and entertainment hub city, such as London, and it may make some sense

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1 See Belfiore (2002) for a survey of arts policy developments in this domain in the UK. Myerscough’s study used the economic concept of multiplier effects to understand the contribution that policy might make. However, as Garnham (2001: 451) pointed out, if this is taken to be the main basis of the efficacy of funding given scarce resources, then the question of whether or not other investment – for example, in public transport – might be a more effective option is unavoidable.
even in some smaller but substantial cities where the cultural industries had some growing presence, but in other places the idea that investment in the cultural industries might boost local wealth and employment was to prove more problematic. Mark Jayne (2004), for example, analysed the difficulties local government had in developing an effective cultural industries development policy in Stoke-on-Trent, in the English Midlands – a city with an overwhelmingly working-class population. The issue of social class is notable here. Much of the burgeoning policy discourse (and associated academic literature) seemed implicitly to portray working-class populations as regressive, holding back cities from entering into competition with the thriving metropolises of the West. Were there dangers of foisting inappropriately metropolitan policies on predominantly working-class or rural places? This question was considered all too rarely as hasty investment decisions were made.

Nevertheless, cultural industries policies can, it seems, make a valuable contribution to people’s lives in ‘unlikely’ areas. Chris Gibson and Daniel Robinson (2004) considered a small entertainment industry association on the far north coast of New South Wales, Australia, hundreds of miles from Sydney and other urban areas further south. They acknowledged that the effects of such an association on employment and economic activity were very hard to ascertain because of the perennial data problems in this area (see Chapter 9 for discussion of such problems). However, Gibson and Robinson felt that the association’s campaigns (keeping venues open, putting on events, getting better remuneration for musicians, publicising activity by means of awards and so on) helped to encourage young, aspiring creative workers to stay and thereby also encouraged a sense that there might be an interesting and rewarding cultural life in the region. In other words, funding such grassroots cultural industries institutions may have other, less directly economic but nevertheless positive benefits.

By the mid-1990s, two related concepts were playing an important part in urban policy, initially somewhat separate from the ‘cultural quarters’ idea, but increasingly fused with it; creative cities and creative clusters. The rise of these terms represented a key shift in the policy vocabulary surrounding the cultural industries. A sense of what was at stake in the former idea can be gained from booklets and policy documents associated with the Comedia consultancy group. In some of these publications (see, for example, Landry, 2000) creativity was presented as the key to urban regeneration and the main reason given was that ‘the industries of the twenty-first century will depend increasingly on the generation of knowledge through creativity and innovation matched with rigorous systems of control’ (Landry and Bianchini, 1995: 12). Television, software and theatre were examples of such industries, but so too was banking and finance. The claim was that they all needed creative cities to help them thrive. A number of examples of creativity in local planning and policy was offered by Landry and Bianchini, including the culture-led urban regeneration strategies referred to above. How these were to induce creativity in a city’s inhabitants was not made clear, but by the turn of the century the cultural industries were being thoroughly incorporated into a more general notion of creativity as a boon to a city’s ills (see Box 7.3).
The adoption of the term ‘creative’ in creative industries policy in the late 1990s and 2000s was no accident. There had been a keen interest in the concept among management analysts and economists for many years (see Hesmondhalgh and Baker, 2010: 3), some of it deriving from the new fashion in economics of Schumpeterian endogenous growth theory which, drawing on information society discourse, assigned a central role to idea generation, creativity and knowledge (see Menger, 2006: 801). Crucially, the term ‘creativity’ had a set of benign connotations, derived from the high status attached to creativity and knowledge in many societies and civilisations. Humanist psychology (for example, Abraham Maslow, 1987[1954]) had stressed the widespread presence of creativity in human behaviour, making the concept adaptable for a demotic age. Even in 1961, Raymond Williams (1965[1961]: 19) could write that '[n]o word carries a more consistently positive reference than “creative”'. It was these connotations that the British Labour government drew upon in using the term ‘creative’ to replace the ‘cultural’ in cultural industries (see section 7.2 below) as they developed new cultural and arts policies in the mid-1990s. So too did many other governments and consultants, presumably finding close equivalents in their own languages. The result was that by the 2000s, in the words of Philip Schlesinger (2007: 378), creativity had become not merely a discourse but a doctrine for policymakers, ‘an object of unceasing advocacy by its proponents’. Some critics responded by impatiently attacking the concept (Osborne, 2004). As Sarah Baker and I stressed in our analysis of working conditions in the cultural industries, however (Hesmondhalgh and Baker, 2010), we should not and cannot abandon the term ‘creativity’, in spite of its motherhood-and-apple-pie connotations (i.e., it blandly invokes things to which people are unlikely to object) and its dubious uses in cultural policy. As Williams noted, we should be glad of the positive connotations of creativity, ‘when we think of the values it seeks to express and the activities it offers to describe’ (1965[1961]: 19). The danger though is that those values might be distorted or diminished by appropriations of the term.

The idea of creative clusters was also significant. The concept of the business cluster was derived from the writings of economist Michael Porter (1990), which attempted to explain how nations and regions could gain competitive advantage over others. An important element of the concept, which distinguished it from older theories of why firms of the same kind gather in the same place, such as that of the nineteenth-century economist Alfred Marshall, was Porter’s emphasis on notions of innovative entrepreneurialism and competitiveness (again, the influence of Schumpeterian thinking was apparent). These were coming to be fetishised in neo-liberal discourses of the ‘new economy’ (Martin and Sunley, 2003) and their central role in the ‘business clusters’ idea helped to make it hugely influential across the world. Unsurprisingly, in the late 1990s, policymakers concerned with
THE CULTURAL INDUSTRIES

the development of the cultural industries adapted the term ‘business clusters’ by linking it to the rising cult of creativity in management, business and government to forge the new term ‘creative clusters’.5

For Hans Mommaas (2004: 508) ‘cultural clustering strategies’ represented ‘a next stage in the ongoing use of culture and the arts as urban regeneration resources’. Once nearly all major cities had developed their festivals, major museums and theatre complexes in the culture-led urban regeneration boom of the 1990s (though this was to continue) the action moved on to creating milieux for cultural production. However, like ‘business clusters’, creative clusters was an idea built on a shaky conceptual foundation. Mommaas distinguished between a number of discourses, which tended to be merged together in policy discussions of the benefits of creative clusters and which, in his view, were in danger of undermining and contradicting each other:

- Promoting cultural diversity and democracy.
- Strategies of place marketing, in the interests of tourism and employment.
- Stimulating a more entrepreneurial approach to the arts and culture.
- Generally encouraging innovation and creativity.
- Finding new uses for old buildings and derelict sites.

Mommaas noted that, while some clustering strategies were limited to artistic cultural activities, most of them incorporated many other leisure and entertainment elements – bars, health and fitness complexes and the like. In another critical study, Ivan Turok (2003) showed that the concept of cluster was highly problematic in cases such as Scotland’s film and television industries. The term ‘cluster’ implied networks of small knowledge-intensive firms generating regional growth by means of an endogenous process. But Scotland’s television and film industries were in fact, according to Turok, largely dependent on the UK television channels based mainly in London.6

Development strategies based on notions of creativity and culture proliferated across the world in the late 1990s and early 2000s. Perhaps the most ardent treatment of the role of creativity in modern economies (see also Box 7.4) came from the US academic and policy consultant Richard Florida. In a widely-read book, Florida (2002: 4) made the cheering assertion that, while most transition theories tended to see transformation as something that was happening to people, in fact,

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5 This continued into the 2000s as, for example, the British Labour government put its national creative industries strategy (see section 7.2) into operation in ‘the regions’ via the increasingly important Regional Development Associations, later abolished by the Conservative-Liberal Democrat Coalition government elected in 2010. Clusters remained a key concept in this new phase.

6 Pratt (2004) also notes that claims for the effectiveness of cluster strategies often rely on dubious forms of statistical evidence.
society was mostly changing because ‘we’ wanted it to and the driving force of these desired changes was ‘the rise of human creativity as the key factor in our economy and society’. This, he claimed, had led to a change in the class system itself, with the rise of ‘a new creative class’, comprising an astounding 30 per cent of all employed citizens in the USA – a creative core of people in science and engineering, architecture and design, education, the arts, music and entertainment, and then an outer group of creative professionals in business and finance, the law, healthcare and related fields. As will be clear from this list, Florida’s claims about creativity, like many other such claims, derived from lumping together a very diverse set of activities, but they allowed him to address himself to political leaders seeking new strategies of urban regeneration in a globalised marketplace for business relocation and tourism. In a version of the Comedia argument about creative cities, Florida claimed that creative people wanted to live in creative cities and, if cities wanted to attract these often wealthy and influential creative people to live and spend their hard- and creatively-earned money on local taxes and local services, then governments would need to foster ‘a creative community’ in their cities. He also offered his services as a consultant to advise city governments on how to create such communities.

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**BOX 7.4 THE ROLE OF CREATIVITY IN THE NEW ECONOMY**

Kieran Healy (2002) identified a number of questions that might be asked about the role of creativity in the new economy as identified by writers such as Howkins and Florida. In particular, he separated out four claims concerning why the relationships between the so-called creative sector and the new economy might matter to policymakers.

- The ‘creative sector’ will continue to grow, justifying more policy research in this area. This is the easiest claim to defend, wrote Healy, but it establishes little in itself. What kinds of policies? And can there be any shared policy agenda among the very varied interests involved?

- The creative sector is a miner’s canary for the wider economy because of its uncertain labour markets, flexible collaboration and project-based work (see also the reasons for interest in the cultural industries outlined in Chapter 1). However, is the project work of a project-based stage actor really relevant to those of a project-based systems administrator? And is the cultural labour force a good model, given the problems of labour markets there (see Chapter 13)?

*(Continued)*
Creativity in general is becoming increasingly important to competitiveness. This, Healy pointed out, is not established and the demand for different kinds of creative people will be very unequal across different industries and sectors.

The so-called ‘creative class’ is intensely interested in cultural goods of many kinds, so cities should invest in culture. As Healy observed, this is unlikely to be uniform (especially, we might add, given how absurdly broad-ranging this category of culture is).

By this point, the democratising intent behind ‘cultural industries’ urban policy, manifest in the original GLC strategy, had become deeply submerged. Cultural policy analyst Justin O’Connor (2004) later reflected on these developments and sought to correct a number of misconceptions in what he saw as an overly celebratory literature concerning the insertion of local – especially urban – sites of cultural production into the global circulation of cultural products. One was the view that clusters of local cultural producers deriving their success from creativity depended on local, tacit knowledge (including the genius loci of the city where the cultural production takes place). According to such views, which can be found in the work of the consultancy Comedia but also in other policy discourse, cities and regions could gain a competitive advantage because such knowledge could not easily be codified and therefore transferred. In fact, wrote O’Connor, successful clusters were increasingly predicated not so much on tacit ‘creativity’ but on access to a range of formal knowledge about global markets, larger companies and distribution networks. To miss this was to ignore the reality of local cultural production and local policy: few of the agencies set up to help nascent cultural industries had the kinds of formal knowledge that were actually needed (O’Connor, 2004: 139).

O’Connor was making a broader point, too. The emphasis on using ‘creativity’ and urbanity for the competitive advantage of cities risked going beyond a reconciliation of economics and culture to being an annexation of the latter by the former (p. 146).

The creative cities and creative clusters concepts (even if they were sometimes renamed and rebranded) spread across the world in the first two decades of the twenty-first century, as cities fought each other for investment, talent and tourists. The production of league tables purporting to offer national and international rankings based on quality of life, cultural vitality, and a host of other indices, intensified such competition further. No sizeable city, it seemed, could survive without its new ‘landmark’ cultural buildings, such as museums, galleries and opera houses often created at great expense by celebrity architects with a penchant for self-publicity, or without bidding to be recognised as some kind of ‘city of culture’, or without cultural festivals designed to enhance the city’s brand.
7.2 Creative industries and creative economy concepts at the national level

The terms ‘creative’ and ‘creativity’ soon spread from the ‘sub-national’ regional or urban level to the national policy level. **Creative industries** is a concept that has been widely adopted in the spheres of cultural policy and beyond. Its first major use in policy appears to have been by the British Labour government elected in 1997, though there were significant precedents in other countries, notably the Australian Labour government’s *Creative Nation* initiative of 1994. The adoption of the term ‘creative industries’ was, in part, a way for cultural policymakers (whether concerned with arts, crafts or film production) to legitimise their concerns at the national level. Local policy had shown that, by linking arts to the cultural industries, even these most refined of activities could be made to seem part of economic development – the *sine qua non* of most government policy in the era of neo-liberalism. At last, cultural policy-makers seemed have found a way to be taken seriously by those who held real political power, in departments of business and trade, and most crucially of all, in the treasuries that determined which departments got how much money.

Nicholas Garnham (2001: 25; see also Garnham, 2005) identified two major claims implicitly made by the mobilisation of the term ‘creative industries’:

- The creative industries are the key new growth sector of the economy, both nationally and globally.
- They are therefore the key source of future employment growth and export earnings.

For Garnham, the use of the term ‘creative’ achieved a number of goals with regard to these claims in the British context. In the first instance, it allowed for a very broad definition. Various documents issued by the UK Department for Culture, Media and Sport (for example, DCMS, 1998, 2001) included not only the industries that I call the ‘cultural industries’ in this book (see Chapter 1), but also dance, the visual arts and the more craft-based activities of making jewellery, fashion, and furniture design. This made it possible to link these subsidised sectors to the supposedly booming commercial creative industries of music and broadcasting. It also, crucially, included computer software, which allowed the creative industries sector to be presented as a much larger and more significant part of the economy than would otherwise have been possible.\(^7\)

According to Garnham, this broad definition, in turn, had two valuable policy consequences for the interest groups involved. First, it enabled software producers

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\(^7\) This of course relates to the broader question of how to measure the changing role of culture, or the cultural industries in modern economies. I address this question in the next chapter.
and the major cultural-industry conglomerates to construct an alliance with smaller businesses and cultural workers concerned with strengthening intellectual property protection. Crucial here was the way that the defence of intellectual property became associated with ‘the moral prestige of the “creative artist”’ (Garnham, 2005: 26).

Second, it enabled the cultural sector to use arguments for the public support of the training of creative workers originally developed for the ICT industry. This argument, in turn, had much wider implications, in that it pushed education policy much more strongly in the direction of an often-dubious discourse of skills, on the basis that future national prosperity depended on making up for a supposed lack of creative, innovative workers. The result was that UK creative industries policy is based on an ‘artist’-centred notion of subsidy, rather than an audience-oriented policy of infrastructural support in the name of democratising culture – the very opposite, in other words, of the original GLC vision.

British creative industries cultural policy at the national level (as outlined, for example, by government culture minister Chris Smith in his 1998 book Creative Britain) claimed to resolve a longstanding dilemma facing social democratic cultural policy in the post-war era: that, given limited resources, there were hard choices to be made between raising (promoting excellence by, for example, attracting the best orchestral conductors, museum curators and theatre directors to national cultural institutions) or spreading (touring productions, supporting local groups). The British Labour government’s creative industries policy claimed to resolve this contradiction by eliminating the high/low distinction by supporting the whole sector, thus combining access (spreading) with excellence (raising). For Garnham, however, this was to miss the entrenched nature of contradictions in structurally unequal societies. Excellence smuggles the high/low distinction back, but in the form of a celebration of the highly skilled creative artist as a model worker in the new ‘creative economy’. This went against access and inclusion because, as Garnham (2001: 457) puts it, it is likely to be the case that ‘a key element in social exclusion is the existing hierarchy of cultural forms and experiences and the very definition of excellence itself’ and this problem can be thought of, at least in part, as being a product of the creative industries now deemed worthy of support under the new regime. For example, it could be argued that the working classes and other excluded groups consume mainly commercially produced culture and this reinforces their position in cultural hierarchies. If this is the case, then supporting the growth of the creative industries on the grounds of economic growth may not in fact solve the problem of access to excellence and instead exacerbate it. The contradictions of class society will not be easily resolved.

Other policy concepts associated with creativity were also being developed at this time, some of which more closely tie the concept of creativity to the developments in intellectual property discussed in Chapter 6.11. One increasingly popular notion was that of the creative economy, so popular that it eventually became a ‘global orthodoxy’ (Schlesinger, 2017). Policy consultant and journalist John Howkins claimed in a 2001 book that ‘the creative economy will be the dominant economic form in the twenty-first century’ (Howkins, 2001: vii). He sustained this claim by defining
the creative economy and the creative industries as those involved in intellectual property. This allowed him to include not only those industries based on copyright, which is the form of intellectual property that is the basis of the cultural industries as they are defined in this book, but also those industries that produce or deal in patents. This justified the inclusion of massive sectors, such as pharmaceuticals, electronics, engineering and chemicals. Even the impossibly nebulous categories of trademark and design industries were incorporated. Howkins was right to stress the importance of intellectual property in modern economies, across both symbolic and scientific domains, but he extrapolated from this importance to make dubious claims about a transition to a new economy based on creativity. This was typical of the way information society discourse was repackaged around creativity and innovation in the 2000s. But Howkins’ concept was picked up by governments who wished to signal that their interests in the hallowed ‘creativity’ concept extended to sectors much broader, more dynamic and economically significant than just the cultural industries, or even worse the arts. The concept spread rapidly in the 2000s and even in the UK, famously associated with the ‘creative industries concept’, the New Labour government sought to rebrand its policies as ‘creative economy’ from 2005 onwards, with an even greater (Schumpeterian) emphasis on intellectual property, innovation and skills, but its efforts got mired in the chaos of a fading administration (Hesmondhalgh et al., 2015: 108–13).8

At the same time, as we saw above, policymakers and politicians had already begun, from the 1970s onwards, to link arts and cultural policy to the pursuit of social goals, or, in the term increasingly adopted by governments and consultancies, regeneration. A UK report on the impact of culture on regeneration summarised some of the principal elements regarding regeneration: ‘reduced levels of crime, increased health and well-being, increased educational attainment, reduced unemployment, greater community cohesion, greater environmental quality and quality of life (or liveability)’ (Evans and Shaw, 2004: 2). But creative industries were also presented as a sector that was informed by meritocratic principles, so that, for example, ethnic communities might achieve greater levels of participation than in other areas of employment, because talent and skills might shine through.

In the age of neo-liberalism, such goals were in themselves strongly linked to economic principles: less crime, better education, and better health were considered good not in themselves, but because they could contribute to economic growth. While some attribute such developments to neo-liberalism, conceived in some cases rather simplistically as a kind of monolithic monster, some analysts of public policy (see, for example, Craig and Cotterell, 2007) have sought to differentiate

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8 In fact, New Labour hardly used the ‘creative industries’ term after 2001 (see Hesmondhalgh et al., 2015). Another myth associated with New Labour is that the government branded its early ‘creative industries’ concept using the term ‘Cool Britannia’. The term preceded their time in office, and New Labour strenuously avoided it (see Hesmondhalgh et al., 2015: 40–42). A sure sign of a lazy or distracted journalist or academic is one who repeats the ‘Cool Britannia’ cliché in relation to the UK New Labour creative industries moment.
the varied paths of neo-liberalism by referring to the way that the ‘after neo liberal state’ purports to repair the social damage of earlier neo-liberal reform. According to this view, in the 1990s, national and local governments increasingly aimed to enable businesses while also seeking to ensure some social amelioration, to provide a check on the most damaging outcomes of market forms of governance. Such analysis is not an effort to ‘apologise’ for neo-liberalism, i.e., to downplay its negative consequences. It is rather an effort to go beyond simplified explanations of what happened in public policy.

Whether or not this is the correct way to understand government policy in the 2000s, there is no doubt that creative industries and creative economy policies were part of a more general trend in cultural policy, whereby culture was increasingly connected to goals of social amelioration (Belfiore, 2002). Combined with the increasing policy focus on economic rewards, this led to criticisms of an increasing ‘instrumentalisation’ of cultural policy, whereby ‘intrinsic’ values of culture – the way in which culture might be valued for its own sake – were being subsumed (Holden, 2004). This could result, for example, in symbol creators and arts organisations distorting the nature of what they did in order to conform to government measures of how to combat social exclusion.

There are considerable conceptual problems surrounding critiques of ‘instrumentalisation’ (see Throsby, 2010 and Gibson, 2008), especially those based on a crude opposition between instrumental and intrinsic cultural value. One problem is that most and perhaps all cultural policies have strong instrumental components in the sense that they wish to achieve non-cultural goals via culture, even if that is just greater well-being in a population. Another is that the concept of ‘intrinsic’ value of culture risks portraying culture as something that can exist separately from the social and political contexts in which it is embedded, including power relations. While this may be true, the concept of instrumentalism does, in its sometimes crude way, point to the problems involved when cultural policies are infected by doubts about whether culture might make any kind of meaningful contribution to human life. It cannot be stressed enough that the cultural policy turn to instrumentalism embodied in creative industries policies were fuelled as much by a supposed anti-elitism as by neo-liberalism. That anti-elitism derived partly from an understandable suspicion of traditional cultural hierarchies, and the way in which general reverence for ‘high culture’ could reinforce power relations. But in the postmodern thinking prevalent in the 1980s, which informed a generation of politicians and policymakers, there was also suspicion of any notion of cultural or aesthetic value, of any sense that culture could make meaningful contributions to individual and collective flourishing, via its abilities to shine a light on aspects of human experience and need (including laughter, shock and revelation) that are not available via other means. Cultural and aesthetic value, according to this sceptical view, was just a matter of personal or

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9 See Scott (2016) for an excellent application of this concept to cultural policy, using New Zealand music as a case study.
identity group opinion, and visions of cultural emancipation were more products of romanticism, modernism and the dreaded high culture. Reasonable claims, such as ‘many Nazis liked Mozart’ and ‘Bob Dylan is as good as John Keats’ were used to justify sweeping dismissals of any notion of cultural value. Why then should the state fund culture, unless it made money for the country, or made people healthier or more employable? Eleanora Belfiore has perceptively characterised New Labour’s cultural policies (and in this respect they were typical of wider trends) as founded on a defensive instrumentalism, so accepting of the neo-liberal and left-postmodernist suspicion of aesthetic judgement that it lacked any effort to ‘elaborate a positive, confident and coherent notion of cultural value’ (Belfiore, 2012: 106). As a book I wrote with colleagues (Hesmondhalgh et al., 2015) argues, while this helped New Labour and other governments to achieve considerable increases in arts expenditure in the 2000s, this achievement was predicated on an acceptance that culture was only valuable and important to the extent that it generated economic and social benefits, thereby undermining a necessary basis for a more democratic and egalitarian cultural policy of the future.

This is by no means the only basis for scepticism about, and critique of, creative industries and creative economy policies. Kate Oakley (2006), for example, outlined some ways in which (genuine) hopes for the ability of creative industries to provide economic growth and reasonable labour markets were not grounded in a realistic appraisal of continuing inequalities and other problems in the sector.10

- First, hopes that investing in the creative industries at a ‘local’ level, in cities and regions, would provide regional growth opportunities ignored the massive centralisation of cultural employment and infrastructure in London and the South East of England.

- Second, aspirations that providing jobs in the creative industries might balance out inequalities in job markets in general, on the grounds that the creative industries are dependent on diverse talent, ignored the strength of social networks in the creative industries, and the continuing marginalisation, for example, of black and ethnic minority people from the cultural workforce. (These issues concerning inequalities in cultural labour markets are taken up in Chapter 13.)

- Third, attempts to use creative industries investment as a way of attracting the ‘creative class’ to cities suffering from a lack of skilled, professional labour led to investment in facilities that were not aimed at the populations of particular cities, but at outsiders. It ran the danger of fuelling processes of gentrification which, as many studies show, have inflicted considerable harm on cities and communities (Zukin, 1995).

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10 The context, as with Garnham’s critique, is the UK, but the lessons are applicable to a much wider range of contexts. Very few actual policies were produced by the UK national government under the ‘creative industries’ rubric (Hesmondhalgh et al., 2015). Most relevant developments were undertaken at the regional level.
7.3 Creative industries and creative economy 
policy goes global

Creative industries and creative economy policy, in the UK New Labour mode, involved protecting and promoting cultural policy by linking the arts to the economic and social benefits of a wider sector that included growing commercial industries, mixing marketisation – including a stronger reinforcement of intellectual property – with progressive aspirations. In spite of the problems outlined above, the packaging of this fusion drew enormous attention in the international policy world. In parallel, the ‘creative cities’ idea was adopted by local governments as a means of achieving urban regeneration by attracting creative class professionals to their struggling urban spaces. Without a doubt, the take-up of creativity was enabled by the murky sense of a link between these hazily-defined creative industries and workers, on the one hand, and the burgeoning software and new media sector, on the other.

In a classic piece of ‘policy transfer’, these ideas spread across national and city governments throughout the world in the late 1990s and 2000s. British and American policy entrepreneurs spread the word (in the case of the former with help from the British Council). Dozens of reports and statistical surveys were produced (see Chapter 6). Building on its Lisbon strategy, aimed at regenerating European economies through a Schumpeterian version of information society ideas, the European Union developed myriad initiatives, such as its 2007–2013 Culture Programme and its 2010 Green Paper on *Unlocking the Potential of Cultural and Creative Industries*, which declared that ‘[f]actory floors are progressively being replaced by creative communities whose raw material is their ability to imagine, create and innovate’ (p.1). The European Union’s 2014–2020 programme, *Creative Europe*, saw an even more thorough incorporation of the instrumentalism of the creative industries and creative economy conceptions of culture.\(^{11}\) It brought together the previous Culture programme with the longstanding MEDIA programmes, aimed at supporting European audio-visual production, and added a new emphasis on providing loans for small and medium-sized businesses.

Meanwhile, throughout the 2000s, cultural (and museum) ‘quarters’ sprang up all over Europe, industrial sites were converted into arts districts, and mayors across the USA unveiled regeneration plans built on creativity (Ross, 2009: 38). The results of these international developments were mixed. Some initiatives were more based on sensitivities to local culture and social divisions than others, for example. All this seemed to make sense as property prices soared in the 2000s economic bubble. Questions, however, continued to be raised by community activist groups and others about the effects of gentrification and whether sustainable jobs were being created by all this expenditure (see some of the contributions gathered in Lovink and Rossiter, 2007).

\(^{11}\) See Bruell (2013) for a good account of the development of the *Creative Europe* programme.
One of the most significant manifestations of the international take-up of creative industries policies was in China. In 2001, the National People’s Congress ratified the concept of cultural industries (wenhua chanye). At this stage, according to Justin O’Connor and Xin Gu (2012), the concept embodied the Chinese leadership’s aspiration not only to develop its big companies in the area of film, television, publishing, crafts and tourism, but also to maintain control. Chinese president Hu Jintao told the Communist Party’s national congress in 2007 that ‘culture has become a … factor of growing significance in the competition in overall strength’ (quoted by Ross, 2009: 53). A term closer to the meanings of the English phrase ‘creative industries’ (wenhua chuangye) was increasingly used in some Chinese cities from about 2005, to refer to design, fashion, animation, advertising, marketing and so on (see Hui, 2006, for an account), a sector based more around small-scale producers and entrepreneurs. Policies aimed at the growth of the creative and cultural industries were also introduced into the five-year plans of various cities, including Beijing, Shanghai, Chongqai, Nanjing, Shentzen, Quindao, and Tianjin in 2006.

Commentators have identified in China a moment of fascinating transition. While some see true economic development in China as impossible without greater political freedom, others view the growth of the cultural and creative industries as part of a broader set of changes that will create a demand for democratic freedoms and a thriving entrepreneurial sector. O’Connor and Gu (2012) critiqued the first position for its ethnocentrism, but against the second position argue that the development of the cultural and creative industries in China may not bring with it values that will challenge the power of the state, or provide a set of ethical values that will act as a check against unbridled (state) capitalist development. Small entrepreneurial businesses have to operate within a framework that is set by the local state and by the larger state-owned enterprises. In line with this, Andrew Ross observed that the Chinese state saw considerable economic potential in the translation of Chinese heritage, stories and myths into nationalist narratives on a grand scale, especially if intellectual property were secured. This would also have the benefit, for the Chinese state, of serving Chinese nationalism. But Ross doubted whether policymakers would tolerate ‘the kinds of idiosyncratic and unpredictable initiatives characteristic of the Western creative paradigm of originality’ (Ross, 2009: 58). Faced by these difficulties, the new Chinese creative start-ups might struggle to achieve threshold for market entry or fail to get the licences necessary to operate legally. If so, Ross pointed out, they may have to take their chances in the ‘gray economy’. ‘No doubt’, he commented, ‘this underground economy is where the more interesting, unpredictable energies will thrive, but it is also a crucible for the worst kind of exploitation’ (2009: 59).

Even now, a decade on, it is difficult to predict the long-term consequences of creative industries policies in China. They continue to involve difficult dilemmas and problems, including the challenge of creating sustainable creative jobs of reasonable quality (see Chapter 13). Oakley and O’Connor (2015a) have recently added further perspective to the more general East Asian take-up of the creative industries and creative economies concepts. East Asian governments, fully familiar with strong state
planning in economies, were looking for ‘industry strategies, foreign direct investment value chain analysis, brand management, market structuring and so on’. But the various Western agencies and consultancies touting creative industries policies (‘the British Council and similar agencies from Germany, the Low Countries and Scandinavia’) were formed in an environment where such interventions had been forsaken amidst neo-liberalism’s advocacy of ‘unplanned, market-driven creativity, where the job of the state was to get out of the way’ (p.4).

The take-up of the creative economy and creative industries policy concepts went considerably beyond China too. They were picked up, for example, by international development agencies. The United Nations agency responsible for trade and development (UNCTAD) issued two vast and widely cited reports on the ‘creative economy’. The attraction of creative industries policy in such a context was that while ‘developing countries’ could scarcely hope to compete in rising but capital-intensive sectors such as information technology, less technologically-driven creative industries were ripe for above-average levels of growth because of ‘the richness of their cultural diversity and the abundance of their creative talent’ (UNCTAD, 2008: 6), as long as domestic and international obstacles could be removed. These reports were driven almost entirely by economic rather than cultural concerns. However, a 2013 report, while still entitled Creative Economy Report (UNESCO, 2013) took a much less economistic perspective, consistent with the 2005 UNESCO declaration on the Diversity of Cultural Expression. Commentators critical of the creative economy and creative industries concepts found more hope in this later report (O’Connor, 2013).

An important element of creative industries policies as they developed internationally was tax incentives. In general terms, tax incentives are aspects of a government’s tax code that encourage a particular economic activity. In the context of the cultural industries, tax incentives are often used to incentivise firms and production units to base themselves in a particular locale. The UK government, for example, at the time of writing (early 2018) allows film production companies to claim a rebate of up to 25 per cent on up to 80 per cent of their expenditure, subject to the film being ‘British’ – with complex procedures for ascertaining what qualifies as such. Film tax relief is an economically driven policy primarily intended to allow production facilities ‘to compete with other potential rivals for Hollywood investment’ (Dickinson and Harvey, 2005: 427). It is economic because it is focused on ‘inward investment’ rather than on cultural goals, such as the enrichment of entertainment within a particular nation (Magor and Schlesinger, 2009). But tax credits can involve destabilisation, and the constant moving of production centres. Yet the policy has been increasingly extended into other forms of cultural production beyond film (where the measure originated), notably video games,

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12 Christiaan de Beukelaer (2014: 233) has summarised some of the ways in which the policy concept travelled in ‘non-western’ or ‘global south’ countries, including the Caribbean, Arabic countries, Indonesia and Africa.
animation, television and theatre (McDonald, 2011). Such measures potentially involve a tax ‘race to the bottom’ that benefits the larger cultural corporations at the expense of public revenue.13

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These various developments concerning creativity and the cultural or creative industries, often built on conflicting and imprecise notions of creativity, raise significant questions about how we see culture in relation to economy and society, and how we understand relations between creativity and commerce. So, too, do the changes in copyright law surveyed in the previous chapter. Together with developments in telecommunications, information technology and media, these developments provide an important basis (but not, as Chapter 5 stressed, the only basis) for the various changes discussed in the next five chapters. In different ways, they have paved the way for a considerable expansion of commercial activities based around symbol making, but on terms that potentially transform the significance of symbol making in modern societies. Part Four will now assess and evaluate some of the changes that have followed on from these policy developments, and which have been partially (though not entirely) caused by them. It is only after a careful consideration of these consequences that we can evaluate the policy changes that helped bring them about.

**Recommended and further reading**

I haven’t had space to explore the spread of ‘creative industries’ policy around the world in sufficient detail in this chapter. On this topic, I strongly recommend the chapter on creative industries in Andrew Ross’s *Nice Work If You Can Get It* (2009). *Creative industries, creative economy: des notions a traduire* (2012) edited by Philippe Bouquillon, collects high-quality French scholarship on this issue. Justin O’Connor has also provided a series of fine articles and book chapters on cultural and creative industries policy and local manifestations of it, from Manchester to St Petersburg to Shanghai. (See also the recommendations of O’Connor’s work at the end of Chapter 3.) Laikwan Pang’s book *Creativity and its Discontents* (2012) provides a historically grounded and very thoughtful study of creative industries ideas in China, including issues of intellectual property. Kristina Karvelyte’s (2016) PhD dissertation is a good study of how ‘creative cities’ policy is manifested in three different sinophone contexts: Shanghai, Hong Kong, and Taipei.

David Throsby’s *The Economics of Cultural Policy* (2010) examines cultural industries as part of an intelligent and comprehensive analysis of cultural policy as a whole, with some international coverage. Reading *The International Journal*

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13 See Vicki Mayer’s (2017) study of film production in New Orleans for important discussion of the problems of state-level film and television tax incentives in the USA.
THE CULTURAL INDUSTRIES

of Cultural Policy is a good way to follow developments from around the world. Christiaan de Beukelaer has rightly pointed to the neglect of such countries and contexts in work on the cultural industries and creative industries policy concepts. This is now being partly redressed by de Beukelaer himself, such as his book Developing Cultural Industries (2015) and by experienced researchers such as Andy Pratt and Yudhishthir Raj Isar (Pratt, 2015 and Isar, 2015). See also, but from a mainstream economics perspective, an early collection edited by Diana Barrowclough and Zeljka Kozul-Wright, Creative Industries and Developing Countries (2008). For a good critical discussion of how various concepts of culture feature in ‘development’, see John Clammer’s 2012 book, Culture, Development and Social Theory.

I haven’t had sufficient space either to do justice to the key contributions that geographers and others have made to understanding the spatial dynamics of cultural production, highly relevant to the issues discussed in this chapter as well as throughout the book. Examples include the work of Susan Christopherson (2011), Andy Pratt (2004), and Allen Scott (see, for example, The Cultural Economy of Cities, 2000). Excellent studies of relevant urban dynamics have also been provided by Sharon Zukin (The Culture of Cities, 1995), Richard Lloyd (Neo-Bohemia, 2006) and, again, Justin O’Connor. Recently, Carl Grodach has established himself as the leading English-language analyst of urban cultural policy in a series of articles and book chapters (e.g., Grodach, 2010 on ‘flagship’ cultural policies ‘beyond Bilbao’); see also the valuable collection he edited with David Silver, The Politics of Urban Cultural Policy (2013).

On cultural policy in general, the terms of the academic debate on the left in the late 1990s and early 2000s were set by Jim McGuigan (Culture and the Public Sphere, 1996) and Tony Bennett (Culture: A reformer’s science, 1998) – the former from a Habermasian and political economy perspective, the latter from a Foucauldian cultural studies one. The work of Terry Flew (e.g., Flew, 2011) provides the most developed version of a Foucauldian cultural studies approach to cultural policy in relation to the ‘creative industries’. Stuart Cunningham has also made a number of significant interventions (see, for example, Cunningham and Higgs, 2008). Myself, Kate Oakley, David Lee and Melissa Nisbett critically analysed the cultural policies of the New Labour government (1997–2010), including the role of ‘creative industries’ policy within it in our 2015 book, Culture, Economy, and Politics.