

# A CRITIQUE OF DEFINITIONS OF THE CULTURAL AND CREATIVE INDUSTRIES IN PUBLIC POLICY

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*The article critiques official notions of creative industries with reference to definitions of both culture and creativity. The knowledge economy-based concept of creative industries, it is maintained, has no specific cultural content and ignores the distinctive attributes of both cultural creativity and cultural products. As such it overrides important public good arguments for state support of culture, subsuming the cultural sector and cultural objectives within an economic agenda to which it is ill-suited. We argue against this turn in public policy and for a cultural policy that views its object as all forms of cultural production, both industrial and artisan. Finally we question the longer term motives and consequences for cultural policy of the creative industries agenda.*

KEYWORDS definitions; creative industries; cultural industries; cultural policy; Scotland

## **Introduction**

The terminology currently used in creative industries policy lacks rigour and is frequently inconsistent and confusing. The terms “cultural industries” and “creative industries” are often used interchangeably; there is little clarity about these terms and little appreciation or official explanation of the difference between the two. To illustrate the level of confusion, the term “arts and cultural industries” is listed as a constituent part of Scottish Enterprise’s definition of the “creative industries” (Scottish Enterprise 1999, p. 4).

The creative arts – literature, performing arts and visual arts – are sometimes regarded as part of the “cultural” or “creative industries” and sometimes not. In our view this relates to weaknesses in conceptualising both culture and creativity, something with implications for public policy for the cultural sector. A significant shift has been taking place in government attitudes towards culture, both at a UK level and in Scotland, a shift signified by the term “creative industries”, a term that in our view involves more than just the “re-branding” of culture. As arts and culture become subsumed in a creative industries agenda some important justifications for their support are at risk of being lost.

Commentators agree that there must be a strong theoretical basis for any definition used for public policy purposes, not least because this has important consequences for how we measure these industries, and the type of interventions we adopt (Cunningham 2001, p. 19; Pratt 2001, p. 63; Howkins 2002, p. 7; Martin 2004; Bilton & Leary 2004, p. 50). Importantly, Towse (2003) also reminds us that unless we are clear about the reasons for providing public

investment, we are unlikely to promote the most appropriate type of intervention. In this article we explore how an economic approach can help to clarify some of the issues within this debate. We critically examine the twin issues of terminology and definition, focusing on academic definitions of the creative industries and how culture sits within these. We consider the current terminology used by government both at national (UK) and devolved level (Scotland) and discuss the implications of the creative industries concept for cultural policy.

### Historiography – Origins of the Terms

The historiography of the terms “cultural industries” and “creative industries” has been traced elsewhere (O’Connor 1999; Towse 2000; Cunningham 2001; Flew 2002; Hesmondhalgh 2002; Caust 2003; Hesmondhalgh & Pratt 2005). Horkheimer and Adorno (2002) originally used the term cultural industries to refer to industrially produced commercial entertainment – broadcasting, film, publishing, recorded music – as distinct from the subsidised “arts” – visual and performing arts, museums and galleries. This understanding underpinned the cultural industries policy initiatives of the United Nations Educational, Scientific and Cultural Organisation (UNESCO) and the Council of Europe in 1978 and 1980 respectively (Garnham 1990, p. 165) and French cultural policy of the early 1980s (Towse 2000; Flew 2002, p. 10).

The latter identified measures to achieve public policy objectives in the commercial cultural industries, themes that were taken up by the Greater London Council (GLC) and other UK city councils during the 1980s. Nicholas Garnham, in a paper prepared in 1983 for the GLC’s Economic Policy Group, based his analysis of the cultural industries on, on the one hand, a rejection of the idealist traditions of existing state cultural support, and, on the other, an appreciation of the reality that most people’s cultural needs were already being met by the market and not by state subsidised “arts” (Garnham 1990). At the same time cutbacks in public expenditure were driving the search for strengthened justifications for state cultural support. Buoyed by Myerscough’s studies, arguments around the economic importance of the arts and culture appeared to provide the answer and increasingly these took on the language and ideology of the arts as industry (Myerscough 1988a, 1988b; Caust 2003). Originally the concept of “cultural industries” was separate from the creative arts, but during this period representatives of the creative arts were effectively lobbying to be included as part of the cultural industries.

While the business analyst John Howkins claims that “the concept of the creative industry emerged in Australia in the early 1990s” (2002, p. 1), for most commentators it was with the election of “New Labour” in Britain in 1997 that the decisive shift in terminology occurred, and the term “creative industries” reached ascendance in public policy (O’Connor 1999; Flew 2002; Caust 2003; Pratt 2004). The term is, however, highly context specific – it has been widely adopted in advanced capitalist countries with a tradition of state support for culture but has little or no purchase in the United States, “where the market place and consumer rule” already (Cunningham 2001; Uricchio 2004, p. 82). The other aspect of this re-positioning relates to culture; whereas culture is abandoned as elitist and exclusive, “creativity” is embraced as democratic and inclusive.

In most people’s eyes, the cultural industries and the creative industries are basically the same thing; Cunningham provides a rare explanation of the difference between the two (2001, pp. 19–32). Referring to the historiography of the term “cultural industries” he argues that this was “essentially...a concatenation of the arts and the established commercial or large-scale public sector media – a concatenation that didn’t hold” (p. 24). Cunningham

argues that the latest phase of technological change including the World Wide Web and digitalisation has overtaken the old concept of the “cultural industries”, which was focused on the “arts” plus the commercial media (film, broadcasting, music). Thus, whereas the “classic” cultural industries arose from the technological advances of the early twentieth century, the creative industries are a product of the technological change of the late twentieth and early twenty-first centuries. He argues that new types of creative applications of technology mean that the public are no longer reliant either on the old style “cultural industries” – big corporation mass produced entertainment – or on “real time public consumption (the arts)” (p. 25). Cunningham’s view that small creative businesses are applying technology in a way that is “threatening the settled business models of the big commercial firms” is echoed by Uricchio (Cunningham 2001, p. 25; Uricchio 2004, pp. 86–87).

As we shall see below, however, abandonment of the term “cultural” in favour of “creative” industries is significant within a “knowledge economy” context. Whereas originally the cultural industries – broadcasting, film, publishing, recorded music – were incorporated into cultural policy, in this new policy stance, culture has been subsumed within a creative industries agenda of economic policy, and in the process its distinctive aspects have been obscured.

## Definitions

Despite the fact that the “cultural industries” have become of increased interest in both academic and policy circles over the past 20 years, “there are currently few real theoretical or policy models available” (O’Connor 1999, p. 1). We believe that deliberations on this issue have failed to adequately consider the differences between cultural and creative activities, and that this is due at least in part to the terminological clutter surrounding the term culture.

Most definitions of the cultural industries are based around a combination of five main criteria – creativity, intellectual property, symbolic meaning, use value and methods of production.

### *Creativity*

Cultural and creative industries are often described as those that are based upon individual creativity, and creativity is the key ingredient in official UK documents (see below). However, this would seem, almost tautologically, to define the “creative industries”, since any activity that involves creativity would necessarily be “creative”.<sup>1</sup> Defining “creative industries” against such a measure is, if nothing else, far too wide to be useful for any purpose. Any innovation – including scientific and technical innovations – of any sort in any industry is creative, and, in such terms, any industry is, therefore, potentially a “creative industry”. Conflating cultural creativity with all other forms of creativity fails to take adequate account of important differences between cultural and creative industries, a point we address below.

### *Intellectual Property*

Intellectual property allows people to own the products of their creativity – ensuring, crucially, that there is something to be sold – and therefore to exercise both economic and

moral rights over these products. Towse comments that in the UK, copyright is now viewed as the “organising principle” for the creative industries and is the basis for defining the cultural industries (2003, p. 170).

However, it is equally clear that defining creative industries by their ability to generate intellectual property runs up against the same problem as defining them by using “general” creativity – many types of creative activity, including science, engineering and academia, generate intellectual property. We also believe that defining the cultural sector by its ability to generate intellectual property is again too wide-ranging, since it again fails to identify adequately the distinctive aspects of the cultural sector.

We should recognise that advocates of the “knowledge economy” model, such as Howkins (2002) do argue that the term “creative industry” *should* apply to any industry where “brain power is preponderant and where the outcome is intellectual property” (p. 2). They argue, on this basis, that the boundaries of official DCMS definitions (the UK government Department for Culture, Media and Sport, DCMS) should be extended to include both business and scientific creativity. Similarly, Creative Clusters, an organisation that promotes networking and policy development for the creative industries, argues that “human creativity is all of a piece... the old view that science, industry and culture are essentially distinct is now obsolete, and is a serious barrier to progress...” (Creative Clusters web site).<sup>2</sup>

This “everything is creative” argument also underlies the UK government’s approach to creative industries, which it defines 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.<sup>3</sup>

There is a sharp conflict between this view, which sees cultural production as just one type of creativity, and the alternative view that culture and cultural products are something distinctive. The UK government appears to have accepted the former view, and we discuss below how this affects UK policy towards the cultural sector. For adherents of the latter view, however, definitions based on concepts of creativity and/or intellectual property alone do not adequately explain what is “cultural” about the “cultural” or “creative” industries. These writers place value on a third concept, “symbolic meaning”.

### *Symbolic “Goods” or “Symbolic Meaning”*

The “everything is creative” approach is opposed by writers who place value on the concept of “symbolic meaning”. For these commentators, the generation, or communication, of symbolic meaning is the defining concept of culture and the economic value of goods is derived from, or reflects, their cultural value. In his 2001 study, *Economics and Culture*, Throsby examined the etymology of the term “culture”. Drawing on the work of Raymond Williams (1976, 1981), he showed that, while it was originally defined in terms of cultivating the soil, the meaning of culture was later refined to encompass individual intellectual and artistic cultivation: it is for this reason that we continue to refer to a person who is conversant in the arts as “cultivated” (Throsby 2001, p. 3). In its original sense, therefore, culture was used to describe activities that contributed to the intellectual and artistic development of individuals.

However, during the nineteenth century the use of the term “culture” was expanded, and it began to be applied in a wider sense to describe the development of civilisations, and

especially to describe the set of beliefs held in common by different societies. In the context of nineteenth-century nation building the term culture was refined further so that it began to refer particularly to the development of individual nations. It thus evolved from describing the intellectual development of the individual, and began to be applied to describing features such as the belief system, customs, expressions and so on, of a people or society. Subsequent development of this latter usage simply extends this definition further, and it has come to be used at a more micro level to describe a set of attitudes, expressions and customs common to or shared by groups within societies. For example, we now commonly talk about a “drug culture”, “youth culture”, and, at the very micro level, even of companies having a “corporate culture”.

However, it is also clear that, whatever group of people within society is under discussion, producing culture is essentially about generating and communicating some type of meaning. Thus O'Connor defines the cultural industries as “those activities which deal primarily in symbolic goods – goods whose primary economic value is derived from their cultural value ... This definition, then, includes what have been called the ‘classical’ cultural industries – broadcast media, film, publishing, recorded music, design, architecture, new media – and the ‘traditional arts’ – visual art, crafts, theatre, music theatre, concerts and performance, literature, museums and galleries – all those activities that have been eligible for public funding as ‘art’ (O'Connor 1999, p. 5).

### *Use Value*

Others, including Bilton and Leary (2004) and Martin (2004), while agreeing on the importance of symbolic meaning, differ from O'Connor (1999) by considering a fourth concept, that of “use value” to be the defining characteristic. Symbolic goods and services have as “first use” the communication of ideas, rather than a functional value. So, activities that produce books, films, plays, music are part of the cultural industries, and those such as fashion design, advertising and architecture, where there is symbolic content, but where functionality comes first, are not considered to be part of the cultural industries. This connects with Williams' much earlier work on the sociology of culture, in which he identifies that, while signifying practices are present in all of social life, culture as a concept is distinctive because, while “other needs and actions are deeply present in all manifest signifying activities ... in these [cultural] practices those other needs and actions are, in their turn, more or less completely dissolved” (Williams 1981, p. 209).

Throsby (2001) presents a definition that combines all three concepts looked at so far, and also incorporates the issue of “use value”, allowing consideration of both the economic and cultural sides of the cultural industries. He argues that:

1. the activities of the cultural industries involve some form of creativity in their production
2. the cultural industries are concerned with the generation and communication of symbolic meaning
3. their output embodies, at least potentially, some form of intellectual property.

Taking the first two conditions together would seem to define the cultural industries. The first condition means that the activity involves some type of creativity; the second limits this to symbolic meaning, importantly excluding the generation of scientific or functional knowledge. In Throsby's view all three conditions are necessary to decide whether an industry is

part of the cultural industries; while they provide a clear set of criteria for doing so, in practice there are considerable difficulties involved in deciding whether, and to what extent, individual activities are “cultural industries”.

Throsby extends his analysis to define a three-fold classification of cultural industries. At the centre of this industry model lie creative arts such as music, dance, theatre, literature, visual arts, crafts, plus newer forms such as video art and multi-media. He argues that the principal purpose of these industries is to generate and/or communicate meaning about the intellectual, moral and/or spiritual behaviour of the individual and/or the beliefs, values, norms and other expressions of groups in society. We may disagree about the extent to which individual productions achieve this end, but these industries should properly be defined within the cultural sector because generating and communicating meaning is the main output of each.

Throsby next extends his approach to include a wider set of activities centred on the creative arts, and it is at this point that difficulties begin to appear with regard to the proper definition of culture. He broadens his definition in two ways. The first involves extending the boundaries of the cultural industries to include industries that operate essentially outside the cultural sphere, but where some cultural input into final production may be required. Advertising, design and architecture, for example, in addition to producing culture as discussed above, may also in some instances use material drawn from the creative arts as inputs into final products. In doing so, it could thus be argued that they generate and communicate symbolic meaning.

This, however, suggests that culture is used as an input into the production process of other industries. If, for example, an advertising campaign uses a reference taken from a painting, then it uses the output of a cultural industry to produce its own output. Industries that use cultural output may thus help to propagate culture, but since they do not themselves produce culture, they are not a part of the cultural industries.

Throsby's second extension is to include industries that produce goods which involve some degree of cultural output, but where it is difficult to ascertain the proportion of cultural and non-cultural output – in economic terminology, these activities produce “joint goods”, and it is at this point that more substantial difficulties begin to appear with regard to the proper definition of culture.

### *Joint Goods*

This includes industries that may produce some cultural goods in the sense used above, but where industry output also involves the production of non-cultural goods – that is, the proportion of “core” cultural goods is lower than in the creative arts. Throsby here is addressing essentially the same point identified by both Bilton and Leary (2004) and Martin (2004). However, whereas they argue that it is possible to define precisely whether a good is cultural or functional, Throsby's argument recognises that for many goods it may be difficult to ascertain the proportions of cultural and functional value.

One example of this would be architecture, where the design of buildings may make cultural statements that extend beyond purely functional aspects. We would then have to decide what proportion of this output is “cultural” as opposed to “functional”. Similarly, advertising and design may produce genuinely cultural statements, and the value created is both cultural and non-cultural. Clearly the balance is extremely difficult to identify.

### *Terminological Clutter*

However, difficulty in identifying the balance between the cultural and functional output of any commodity is not the only problem here – a second arises from terminological clutter. We discussed earlier how the use of the term culture has broadened over time. This has now created the problem that it has become increasingly difficult to agree on where to draw the line.

For example, Flew (2002, p. 13) discusses the way in which the use of the term has been extended over time, and points to the definitional problems that this creates. If we define cultural industries as those involved in the production of symbolic goods and services, he asks whether it is now “possible to exclude any activity of industrial production that has a symbolic content? Is the design and production of a Coca-Cola can a part of the cultural industry” (Flew 2002, p. 13).

The problem arises from the way in which the term itself is now increasingly used in an anthropological sense to describe aspects of everyday life. Flew (2002) argues that this development has its roots in the notion that culture (in this sense) is becoming an increasingly important part of everyday life, particularly with regard to consumption of goods and services – consumers are argued to use increasingly commodities to construct a personal identity, a process Lash and Urry (1994, p. 61) call “the semiotisation of everyday life”. So,

Culture is thus recast from a distinct sphere of social life to something that permeates everything, from the design of urban spaces, offices, means of transport and communication.... to the promotional strategies of corporations and increasingly governments. (Flew 2002, p. 2)

Used in this sense, we might equally conclude that “everything is cultural” and that the term is used in such a wide sense that it is impossible to assign it any actual meaning.

Hesmondhalgh and Pratt also trace the manner in which some commentators have extended the use of the term culture far beyond its original meaning. For example:

Some have argued, on the basis of the flexibility of the term culture, that it is useless to talk of the cultural activities at all. Others have also implied this by arguing that all industries are cultural, because all industries are involved in the production of goods and services which become part of the web of meaning we know as culture. (Hesmondhalgh & Pratt 2005, p. 6)

However they argue, rightly in our opinion, that this view stretches the concept “beyond breaking point”, but that it is also possible (and desirable) to re-assert a meaningful use of the term. A more sensible option is to recognise that

the main interest in such industries is the symbolic, aesthetic and, for want of a better term, artistic, nature of their output, because these outputs can potentially have a strong influence on the way we understand society. (Hesmondhalgh & Pratt 2005, p. 6)

While it remains difficult to draw exact boundaries (for example, they refer only to “the main interest in such industries”), it is both possible and useful to re-instate meaning to the term culture by adopting the position outlined by Hesmondhalgh and Pratt. This usage is very close to the “core” cultural activities outlined by Throsby (2001), and to the position outlined here. We argue below that reinstating the use of the term in this sense allows us to begin to recognise, or more correctly simply to re-assert, the distinctive nature of the cultural industries. This is necessary to allow us to begin a meaningful discussion about how they are

different from the wider creative industries, and why they thus require policy interventions suited to these distinct needs (see below).

We do not deny that problems in defining culture remain, even where we use the term in the symbolic, aesthetic sense outlined by Hesmondhalgh and Pratt (2005) and others. Stanbridge (2002), for example, who also explores the distinction between “broad” and “narrow” senses of culture, suggests that the existing canons of culture, rooted (he argues) in an eighteenth-century aesthetic, are overly conservative and restrictive. He argues that we need to recognise that some new art forms should properly be considered as culture, citing examples such as film music, folk music and jazz. Stanbridge’s argument is that we need to revise notions of what constitutes culture so that it encompasses more of a “flat hierarchy”, which recognises that these newer forms can equal or even exceed the achievements of the established classics.

### *Production Methods*

A factor not included in Throsby’s model of the cultural industries is the method of production. Other writers regard this as the defining characteristic of cultural industries and, on this basis, they exclude the creative arts from the “list” of cultural industries (Garnham 1990; Hesmondhalgh 2002; Towse 2003).

The importance of production methods to an understanding of the cultural industries was first identified by Adorno, who distinguished between those cultural industries that employ industrial technology and modes of organisation to produce and distribute cultural goods and services, which are themselves produced by largely traditional or pre-industrial means (such as books and records), and those where the cultural form is industrial (such as newspapers, films and television programmes) (see Garnham 1990).

It is often a combination of symbolic meaning and industrial-scale production methods that is understood to characterise the cultural industries (Garnham 1990; Hesmondhalgh 2002). This definition produces a list of what are often regarded as the “classic” cultural industries, namely film, broadcasting, publishing and recorded music. Towse (2003, p. 170) describes the cultural industries as those that “mass-produce goods and services with sufficient artistic content to be considered creatively and culturally significant. The essential features are industrial-scale production combined with cultural content”. Reviewing the cultural economics literature of the 1990s, Towse notes that as the “creative arts” do not employ industrial-scale production methods, they are typically excluded from definitions of the cultural industries deployed by cultural economists. This distinction had been made earlier by Williams in his work on the social relations of cultural production. He distinguished between the corporate ownership of the means of cultural production associated with the development of mass reproductive technologies, and the survival of older artisanal methods of production, typically the non-market area of cultural production supported by public subsidy (Williams, 1981).

For Hesmondhalgh (2002, p. 12) “the core cultural industries deal with the industrial production and circulation of texts [the production of social meaning] and are centrally reliant on the work of symbol creators”.<sup>4</sup> Hesmondhalgh’s list of core cultural industries therefore excludes the creative arts, but includes: advertising and marketing, broadcasting, film industries, Internet industry, music industries: recording, publishing and live performance, print and publishing including books, video and computer games. For Hesmondhalgh the creative arts – including drama and visual arts – are “peripheral” cultural



industries; while they are centrally concerned with the production of texts (symbolic meaning), they use semi-industrial or non-industrial methods of production.

This understanding, based on industrial production methods, was the one on which UNESCO based its enquiry into the cultural industries in the late 1970s and early 1980s. Significantly, UNESCO placed the issue of political and economic control of the technological and industrial production of culture central to the question of cultural development, particularly in developing countries. There is therefore a direct line between UNESCO's early analysis of cultural industries and current debates around the notion of "cultural rights" and the protection of cultural diversity (UNESCO 1982, 2005). This is based on an understanding of the distinctiveness of cultural goods and markets and the consequences of market failure.

In light of the above discussion it should be clear that we doubt whether the production method is itself a sufficient basis on which to define those activities that produce culture. In saying this, we do not dispute the claim made by Garnham and others who argue that the majority of us now consume culture primarily through a market mechanism. In addition, it is clear that a policy aimed at leveraging economic advantage by supporting cultural industries is much more likely to be successful if it focuses on mass production sectors, given the relative size of these industries compared to the state-supported sector. However, it is evident that either industrial or artisan methods can produce culture. For example, a stage production of *Don Giovanni* and Losey's film of *Don Giovanni* are simply different ways of presenting the same Mozart opera – defining cultural industries by production method simply loses sight of what is being produced. However, it is the mass character of production that allows cultural industries to dominate consumption, and the structure and organisation of these industries that raises issues of "gatekeeping" and control (Caves 2000; Grant & Wood 2004). Production methods don't define what culture is, but are crucial for explaining why these industries must be considered part of cultural and not just economic policy.

### **Culture and the Knowledge Economy**

The increased use of the term culture in the anthropologic sense discussed above, and the absorption of the cultural industries within the wider creative industries agenda, are both related to increased interest in the so-called "knowledge economy". Analysis of the knowledge economy suggests that competitive advantage is increasingly derived from investment in intangibles, particularly information. Such information may be functional or scientific, but certain of the trends discussed above (e.g. a more sophisticated consumer demand) have led to suggestions that knowledge-intensity is an increasingly important competitive device in a wide range of consumer markets. One information set that, it is argued, increasingly underlies competitive advantage in such markets is the anthropologic type of cultural information discussed earlier.

Much has been written on how the knowledge economy affects the cultural and creative sectors (Cunningham 2001; Flew 2002). But what is most relevant for present purposes is that increased interest in leveraging the economic potential of knowledge is clearly a further reason why the distinctive aspects of the cultural sector have been subsumed within the wider creative industries agenda – culture is now viewed as just one more "knowledge economy asset".

The key problem, once again, is that discussed earlier – the failure to distinguish between cultural and other creative activities. This failure causes, in a policy sense, two problems. Firstly, it means that we lose the ability to measure the actual contribution that

cultural (i.e. symbolic) goods make within the knowledge economy context. For example, we do not know whether advertising or opera, both designated as “creative” industries, has the more significant economic effect. More significantly, conflating culture with other creative activities again fails to recognise the distinctive aspect of symbolic culture. We now turn to address this issue.

### **The Distinctive Aspects of Cultural Goods**

Two factors define the distinctiveness of cultural products, one political/ideological, the other economic. These factors differentiate cultural goods from the wider set of creative industries and have important consequences for public policy towards the cultural industries.

#### *Symbolic Ideas and Freedom of Expression*

We have argued above that cultural products are distinctive from other creative activities because they are about the production and circulation of symbolic ideas. Cultural activities thus play a central role in the freedom of human expression, and this provides a direct link to questions of democracy. Enshrined in the Universal Declaration of Human Rights is the principle that every citizen should have the ability, through cultural participation, to freely develop their personality, and take part in the exchange of ideas (UNESCO 1970, p. 9). For this reason, we find ourselves agreeing with Dworkin’s proposition that the state, through cultural policy, has a role in ensuring that the “complexity and depth of forms of life” are open to the population now and for the future (Dworkin 1985, p. 232). This notion of cultural expression as a fundamental aspect of human freedom also underpins the UN Convention on the Protection and Promotion of the Diversity of Cultural Expressions (UNESCO 2005).

#### *Market Failure in the Market for Culture*

The distinctiveness of cultural goods also has an important economic dimension, central to which are arguments that cultural markets suffer from various types of “market failure”. From the argument that arts and culture create both private and non-private values comes the notion that art and culture create benefits both for those who consume them directly (by attending a cultural event) and for those who do not attend. The notion that market failure affects cultural markets has a long lineage in the cultural economics literature (Throsby & Withers 1983). The argument is essentially that, because of the existence of non-private benefits, the market mechanism working alone will fail to provide the amount of culture that society actually wishes to consume, and, importantly, is willing to pay for. This is the force of the recent statement by Baumol and Peacock, when they argue that “the arts confer benefits that people will experience whether they pay or not” (2005, p. 2). O’Hagan (1998) expresses the same point as follows:

While the arts do provide a service that can be bought and sold in the market place... they also provide another benefit, a non-private benefit that cannot be sold in the market place. (O’Hagan 1998, p. 22)

A number of non-private benefits have been suggested for arts and culture, and we also note that the empirical research has been conducted on both the size and nature of these. The

most comprehensive is the study undertaken by Bille Hansen (1997), which employed the contingent valuation method pioneered in environmental research to derive estimates of both private and non-private values for the Danish Royal Theatre in Copenhagen, the latter including educational value, bequest value and prestige value. Interestingly, she concluded in the case of the Royal Theatre, that

The non-users make up far the biggest amount of the total WTP<sup>5</sup> for the Royal Theatre, about 82%. (Hansen 1997, p. 22)

Viewed from this perspective, market failure is a key justification for post-war state support for the arts – indeed, the establishment of the Arts Council of Great Britain can be considered as a form of “nationalisation” of the cultural economy. While currently unfashionable in this post-socialist free market era, market failure arguments are none the less robust; at least robust enough for the UK government to support the UN Convention on Cultural Diversity in October 2005. It appears that a gritty acknowledgement of its shortcomings runs alongside an official acceptance of the free market principle.

It is fair to say that some, most notably Dworkin (1985), have questioned whether this type of market failure analysis applies to arts and culture.<sup>6</sup> However, we note that even critics of the market failure/public goods justification for public support for arts and culture, like Dworkin, accept that the state has a role to play in supporting art and culture. Dworkin draws a simile between culture and language, and argues that culture, like language, is essential to human communication. For example:

The structural aspect of our artistic culture is nothing more than a language, a special part of the language we now share. The possibilities of art, of finding aesthetic value in a particular kind of representation or isolation of objects, depend on a shared vocabulary of tradition and convention...if it is right that the community as a whole, and not just those who use the institutions directly, shares and employs the structural possibilities of continuity and reference, something like the public goods argument for state support is rehabilitated. (Dworkin 1985, p. 231)

These two aspects of cultural distinctiveness are crucially interlinked. Both the production and consumption of culture are severely restricted if left entirely to the market, and the ensuing limitation of the field of cultural participation and expression represents a significant democratic deficit both for individuals and society as a whole.

Recognising these distinctive characteristics of culture provides us with clear grounds on which to distinguish cultural industries from the wider notion of creative industries. Cultural activities, whose primary purpose is to communicate symbolic ideas and meanings, play a central role in our ability to communicate and thus in the freedom of human expression. The same cannot be said of industries such as fashion design, whose prime purpose is to persuade people to buy certain types of clothing, or advertising, whose prime purpose is to simply persuade people to buy more. The key outputs of the cultural industry are not found in other parts of the creative industries, however defined, and it is this distinctive contribution that is lost by policy stances that subsume cultural creation within the wider creative agenda.

### **Official Definitions and Policy**

Government interest in the “creative industries” appears to stem from a belief that the UK has a strong track record in areas where individual creativity is important (in industries

such as film and music), that the “creative industries” have enjoyed high economic growth rates, and that this “creativity” can be applied to the rest of the economy:

The most successful economies and societies of the twenty-first century will be creative ones. Creativity will make the difference – to businesses seeking a competitive edge, to societies looking for new ways to tackle issues and improve the quality of life ... I want all businesses to think creatively, to realise creativity is not an add-on but an essential ingredient for success. (Chris Smith, Foreword, DCMS 2001, p. 3)

As we have seen, the highly influential DCMS definition of creative industries is based on two of the concepts discussed above: creativity and intellectual property. Scottish Enterprise (SE) in its “Creative Industries Cluster Strategy” also uses the DCMS definition. When defining “creative industries”, SE (1999, p. 4) advances the notion that “creative industries are those in which creativity fundamentally is the enterprise”. This could include any industry, however, and the meaning of the “creative industries” is, to say the least, difficult to pin down. It is clearly extremely difficult, on the basis of the definition supplied by SE, to know the extent to which these industries are “creative industries” and thus to develop an appropriate set of policy responses. It may include those specified by SE but, if the criterion for entry is that “creativity fundamentally is the enterprise”, then, as discussed above, we could equally well include a range of other industries (see also Bilton & Leary 2004, p. 50).

The problem is that, while the cultural industries can be defined as those that generate symbolic meaning (as we have seen above), official definitions of the “creative industries” make no reference to symbolic meaning and could involve any type of creative activity. Individual creativity could equally well include developing scientific innovations, yet industries that develop these are not typically included in definitions of the creative sector. The difficulty in identifying specific types of “individual creativity” makes it very difficult to decide which industries are “creative”. This clearly causes considerable difficulties for the cultural sector, since, in definitional terms, there is nothing specifically “cultural” about the “creative industries” besides the common link of creativity (Cunningham 2001, p. 20). Most importantly, in defining creative industries on the basis of creativity and intellectual property, the UK approach also fails to consider the nature of cultural creativity and so, as argued above, also loses sight of the distinctive public good contribution of culture.

Significantly, the UK’s “knowledge economy” approach contrasts strongly with the definitions of cultural goods and services and of cultural industries proposed by UNESCO (2005). These combine the concepts of creativity and intellectual property with a strong emphasis on the importance of symbolic meaning, which means that they (cultural goods) “embody or convey cultural expressions, irrespective of the commercial value they may have” (UNESCO 2005, p. 5).

### **Conclusions and Policy Implications**

Given the wide currency of the term “creative industries”, it is important that it should be subjected to critical examination – this is essential if policy is to be made on a rational basis. As others have pointed out, distinguishing between the terms “cultural industries” and “creative industries” “has implications for theory, industry and policy analysis” (Cunningham 2001, p. 19). We have demonstrated a lack of theoretical clarity in policy definitions of the creative industries. Our unpacking of the concept of creative industries has found it to be

rather like a Russian doll; once the layers are discarded at heart it appears an amorphous entity, with no specific cultural content at all.

One has to ask whether this view of creativity also sits at the heart of government cultural policy, and not just economic policy. If not, then there appears to be an inconsistency and irrationality. And if so, then what are the implications for public support of the cultural sector? Is the creative industries agenda just another passing fad of government, one from which parts of the cultural sector may derive benefits (Harvie 2003, p. 22; Mommaas 2004) or is it part of a longer term strategy to undermine the ideological basis for state cultural support? When the distinctive attributes of culture are being so purposely ignored, we may ask whether we are slowly heading for a US approach to culture, as in healthcare and education?

We believe it is important that public policy should provide support for culture, and that several things are necessary before this can happen. We believe firstly that both academics and policy makers need, as a minimum, to clarify the confusion surrounding both the terminology and definitions of cultural and creative. Secondly, it must also be recognised that cultural creativity is distinct from other types of creativity, and is more than simply one further knowledge economy asset – an understanding of this point is essential if we are to recognise and develop the distinctive aspects of the cultural sector.

The UK government's preference for the knowledge economy-based creative industries concept also diverts attention from some of the political questions central to cultural development, questions that were highlighted by the "cultural industries" analysis and which organisations like UNESCO continue to pursue. Questions of "cultural rights" – the focus of policy debate in Scotland – and cultural diversity are crucially linked to issues of market intervention and an analysis of the distinctive economic characteristics of cultural goods and markets. The crucial question common to the entire cultural sector, both cultural industries and supported sector (a false dichotomy in our view), is democracy and freedom of expression. The role of cultural policy is to ensure this, creating the space for different types of cultural expression, including local, regional and national cultural identities, which may not play to a global market, and may never make big bucks.

Placing cultural activities within the existing creative industries/knowledge economy framework buries this vital cultural policy objective, and misses the point about the important public benefits provided by culture. Public support for culture simply recognises that it provides public benefits that cannot be captured through markets, and the currently fashionable way of viewing the cultural sector as part of the wider creative economy simply subsumes it within an economic agenda to which it is ill-suited.

## NOTES

1. A point also recognised by Pratt, who argues that "it would be difficult to identify a non-creative industry or activity" (Pratt 2005, p. 33).
2. Creative Clusters web site, section on Key Concepts: The Era of Creativity, Culture: An Economic Resource, Available at: <http://www.creativeclusters.com/modules/eventssystem/?fct=eventmenus&action=displaypage&id=34> (accessed 18 October 2005).
3. Creative Industries Mapping Document prepared for the DCMS Creative Industries Task Force, October 1998.
4. The term Hesmondhalgh uses instead of "artists", in his words, "those who make up, interpret, or re-work stories, songs, images, etc" (Hesmondhalgh, 2002, p. 4).

5. WTP = Willingness to Pay, a measure of the total value (both use and non-use) that society places on the cultural good under investigation.
6. Dworkin's analysis actually concerns an associated and essentially similar issue, whether arts and culture qualify as public goods.

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