

Creative Industries: a New Direction?

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The idea of 'creative industries' (henceforth CIs) can provoke extremely antagonistic, even hysterical reactions (McGuigan 2006). It is not, as is often portrayed, that economic arguments are an affront; the economic and social conditions within which arts and culture are produced and consumed have been a staple topic of cultural and media studies, sociology and cultural economics for at least half a century (Hoggart, 1958; Williams, 1958). Rather, for those opposed to the idea, it drops the concern with culture and shifts to an exclusively economic rationale. In this context the work of the Centre for Creative Industries and Innovation (CCI) at the Queensland University of Technology (QUT) stands out as distinctive¹. Over the last five years, researchers from CCI, many with long roots in the field of cultural studies, have produced an ambitious series of publications in support of the CIs agenda. They seek to extend it beyond the (as they see it) restricted UK Department of Culture, Media and Sport (DCMS) incarnation, and provide a robust theoretical basis for its definitive break with arts and cultural industries policies.

This is not some pragmatic accommodation with a passing policy fad but an attempt to give it real theoretical and empirical flesh. It is not primarily an extension of Daniel Bell's 'knowledge economy' and its 'symbolic workers', as is often argued (Garnham, 2005; Pratt, 2009) – a charge more applicable to Richard Florida (2005) and John Howkins (2001). Nor is it simply 'economism' in the sense of reducing cultural production to its economic outputs. It draws on evolutionary economics and theories of cultural democratisation to argue that the creative industries exemplify a particular kind of market – a social network market – in which the false opposition of economic and cultural values is dissolved within highly complex, adaptive systems. These social network markets do not provide input into innovation systems – they are innovation systems. Equally, these markets do not represent an external, 'instrumental' economic logic that impinges upon cultural activities and values; they are the means through which cultural values are created. The CIs produce new cultural and economic value; they therefore contribute to the growth of human knowledge which is how societies, how humans adapt and evolve. As such they are about economic growth, but they are also part of the democratisation of culture set in motion by the printing press and accelerated by digital media and networked computing.

¹ The Australian Research Council Centre of Excellence for Creative Industries and Innovation includes a wide range of excellent researchers and research projects. These can be found on the CCI website <http://cci.edu.au/> Those involved in the different research projects are not bound by any central line. I discuss the published works of those wishing to create a conceptual framework for the creative industries agenda, namely Stuart Cunningham (Director), John Hartley (Research Director) and Jason Potts - though others have co-authored papers.

In combining evolutionary economics, complex systems theory and cultural studies CCI also make a case for the foundation of a new 'cultural science'. In this paper I will not address this issue but focus on their conceptualisation of CIs and the policy consequences they draw from this.

Beyond the DCMS – a New Definition of the Creative Industries

In their comprehensive re-definition of the CIs, CCI make two closely linked arguments. First, that the CIs policy model represents a real break with previous arts and cultural industries models, and are now centred on an economy-wide innovation system. Second, that the notion of social network markets allows a much more dynamic definition of the CIs – one that not only breaks with the notion of 'industrial sector' but moves away from producer-centric models to focus on markets and consumption.

On the face of it, the CCI take on CIs can be seen as a fairly straightforward extension of the 'economic importance' argument towards the innovation agenda. Taking this line, the economic importance of the CIs does not reside primarily in their contribution to employment and wealth creation as specific industries (e.g. the DCMS' 13 sub-sectors) but in their crucial role within a wider 'innovation system'. If we focus on this then their economic impact is much greater than normally stated. A recent publication (Higgs et al. 2008) identifies not just 'creative' and 'non-creative' employment in specific CIs but also those 'creative occupations' in 'non-creative' industries. These latter make up 40 percent of total creative employment. That is, creative employment is spread way beyond the CIs themselves. Furthermore, creative industry outputs are not just consumer goods but also human capital inputs right across the economy:

This model thus accommodates design as an input factor into the economy, industrial digital content and applications like games, and also mobile and Internet media. These exemplify input impact, such as games providing models for next generation education and learning paradigms, or for simulation and virtual reality training in aerospace. It is evidenced by the positive correlation between design intensity in firms and their stock market performance. ... It also is suggested by the growing proportion of creative occupations 'embedded' in the broader economy. But it is perhaps best exemplified by the huge growth of mobile and Internet media use and content creation and the unexpected (on the supply side) uses to which such activity and inventiveness has been put. The creative industries seem to be a driver of economic growth. (Cunningham et al. 2008, pp. 17)

Thus we should not follow the first DCMS model of increasing growth in specific industries but seek to implement a new kind of innovation policy (Potts and Cunningham 2008). Innovation literature and policy practice have focussed on science and technology; now, they argue, it has to recognise the crucial contribution of CIs to the wider innovation system. Such claims are open to criticism on a number of levels – reducing the CIs to economic inputs/ outputs; assuming creative innovation where it might not exist; over-extension of the concept of the 'knowledge economy' etc. - many of which are rehearsed by Oakley in this issue and Pratt elsewhere (2009). Whilst I would agree with most of these criticisms, here I want to suggest that these

arguments, when linked to the second set of claims around social network markets, raise some fundamental conceptual and policy issues that warrant further discussion.

This second argument deals initially with the definitional issues around the CIs. Rather than debating the specific nature of cultural products and services, or continually adding to or refining the DCMS list CCI take a more radical line. They suggest that the CIs are not ‘industries’ at all. ‘Industry’ suggests an integrated value-chain organised around the production of functional products with known use-values. CIs do not produce known use-values – they exist to create *novelty*. Poiesis is precisely making anew (Hartley and Montgomery 2009). Whilst the difficulties of the generation and retention of new knowledge within an established system is a central issue in innovation and knowledge economy theory generally (Potts et al, 2008) the kind of novelty produced by the CIs is of a specific kind. They are consumer goods about which the consumer does not have adequate knowledge – not being functional and being new they are inherently uncertain goods. Drawing on neo-classical economic theory they argue that such unknown goods necessarily derive their value from social networks, that is, from the value that other people place on these goods: ‘other people’s preferences have commodity status over a social network because novelty by definition carries uncertainty and other people’s choices, therefore, carry information’ (Potts et al, 170). The CIs then can be defined in terms of ‘a class of economic choice theory in which the predominant fact is that, because of inherent novelty and uncertainty, decisions both to produce and to consume are determined by the choice of others in a social network’ (169). We no longer have an industry as such but a ‘complex open system’ operating at the cutting edge of innovation, organized around ‘agent cognition and learning’, ‘social networks’ and ‘market-based enterprise’:

These three terms are strongly homologous with the triad that forms the ‘unit of analysis’ in media and communication studies, namely audience (reader, viewer, consumer), content or distribution (e.g., TV network or press with their associated content or text), and producer (especially large-scale state or private corporations). Reconfiguring this standard formula of [Hartley’s] ‘textual system of modernity’ as ‘agent—network—enterprise’ has the advantage of removing the assumption held in most political-economy accounts of media of a one-way flow of causation along this ‘value chain’, from (active) producer via text-distribution to (passive) audience. In our formulation, the interrelationship among agents, networks and enterprise is dynamic and productive; all are engaged in the mutual enterprise of creating values, both symbolic and economic (Potts et al, 169).

This is a crucial step, for it moves us beyond a simple neo-classical economist attempt to re-state the ‘problem’ of the CIs in terms more amenable to its methods, towards a much broader set of claims around the value of cultural goods not just for the economy but for social evolution in general. It does not simply redefine the CIs in economic input/ output terms or even as a stimulus to creativity; this model of the CIs represents a seamless integration of market and culture. Again this is not simply the reduction of cultural goods to purely market definitions of value; it is the annexation, through social network markets, of the *cultural* value of cultural goods to the evolution of the knowledge economy. As such it does not summarily dismiss or ignore the claims of cultural policy for education, learning, enlightenment and the

promotion of the good life but equates these unproblematically with the co-evolution of the market.

In order to examine this in more detail I want to return to the alternative models, those set to be replaced by that of the CIs.

The ‘Arts Welfare’ Model

This account of the CIs is explicitly contrasted with two other models that might be said to compete for policy makers’ attention – the ‘arts welfare’ and the ‘cultural industries’ models. These previous policy models relate to distinct historical configurations involving particular kinds of cultural goods and the structures within which they were produced. They also represent conceptual models that need to be challenged if the creative economy model is to become dominant. The CIs model is both a response to new developments – in culture, economics and technology etc. – but also aims to correct previous misconceptions that the value of cultural goods lies either outside the realm of the market, and/ or that they are somehow badly served by them. These misconceptions are the more damaging in that these other models are still in existence, and thus able to influence conceptual work and policy formulation. Their co-existence is formulated through Raymond Williams’ notion of ‘residual’, ‘dominant’ and ‘emergent’ (Cunningham et al. 2008), the task of CIs agenda being, it would seem, to promote the emergence of the third model through dismissing some of the claims of the other two.

The ‘welfare model’ corresponds to the traditional arts funding system, where culture is seen as a ‘public good’ needing transfers from the rest of the economy to exist (Cunningham et al. 2008; Potts and Cunningham 2008, Potts, 2008). This model relies on ‘exceptionalist’ arguments that cultural goods are different from others; i.e. they tend to be expensive and resistant to productivity gains; they depend on a different kind of consumer choice from other goods (not knowing in advance what the value might be); they have to rely on experiment and risk etc. For all these reasons, it is claimed, they are not served well by the market and demand public funding; the model is thus a ‘market failure’ model. It is significant that neither the claims for the arts as a ‘public good’ nor any actual market failures are given substantive examination within these accounts. Two things are made clear however. First, that the creativity associated with the arts is no longer their privileged monopoly. Cunningham especially is critical of the way in which cultural economists, such as Throsby (2001), see the ‘arts’ as representing the pure form of creativity, involving ‘a dubious assumption that the more sectors produce both cultural and non-cultural goods and services...the less ‘core’ [and hence less purely creative] they are’ (Cunningham 2006). Second, that contemporary creativity does not seem to have any substantial market failure issues, or at least not of the sort associated with the arts. If it is a public good (in the sense of something that is good for society as a whole) then it is clearly deliverable by the market.

What then are the arts in relation to the CIs, if they do not exemplify creativity nor the necessarily non-market oriented nature of culture? One common position within creative industry theorising involves a kind of division of labour between the publicly financed and the commercially inspired. Render unto the arts that which is their due – money for education and heritage preservation – and keep the hard nosed CIs for the

economic growth strategies. This is the position taken, for example, in a recent collection that separates the ‘cultural economy’ (i.e. the arts) from the creative (commercially driven) economy (Cooke and Lazzarotti 2008 pp.1-2). They talk about ‘the street’ as the source of creative industry content as opposed to the subsidised high culture found in the opera houses. Here commerce is simplistically equated with popular, cutting edge, ‘street’ culture and subsidy with heritage based ‘top down’ high culture.²

CCI take a more theorised and radical line. If the CIs are defined as ‘the set of agents in a market characterized by adoption of novel ideas within social networks for production and consumption’ (171) then the ‘subsidised arts’ cannot be included. This is not because they are unconcerned with commercial outputs (they may or may not be) but because ‘old’ culture – ‘heritage, antiques, museums, classic arts, performances etc.’ - involves known value, whereas ‘new’ culture ‘means anything experimental, or at least about which quality is unclear’ (175).

This crude definition does not diminish the role of ‘old culture’, nor supposes it unambiguously closed to experimental re-visitation, but reassigns it to the social education system as knowledge with value ‘embedded’ as self-evident, institutionally acquired or infrastructural, thus requiring maintenance and continuity but not social network services. Strictly speaking, art history and heritage is no more part of the CIs than, say, knowledge of the science that enables the production of digital routers, which are also inputs into the CIs. The maintenance of cultural technology (e.g., history) is of no less value than the maintenance of physical technology (e.g., science) and social technology (e.g., practical ethics). However, its proper classification falls within the education system, not the revised social network market definition of the creative industries. (Potts et al 2008)

There are some real problems with this distinction between *infrastructure* and *novelty*. Arts organisations receive public funding not only because they produce known values – a production of *King Lear*, for example – but because they are expected to produce new and challenging ideas. The ‘arts’ are certainly well established fields involving institutions, skills and knowledge bases that have been fixed for many years. But new works of art are created daily – are these already history/ infrastructure because they have been produced within an arts organisation?

The arts might receive public funding because they have been deemed ‘valuable’, but particular products (a piece of contemporary art) or re-interpretations of products (a new production of an opera) acquire new cultural value within their own set of complex social networks – arts productions also succeed or fail, they are unpredictable too (though the economic penalties are different). This cultural value can also become economic value, either through direct spin-offs (such as a subsidised play re-launched on Broadway) or by circulating within ‘complex systems’ of subsidised and private sector ‘agents, networks and entrepreneurs’. One glance at the international art system and its complex articulation of public and private networks suggests there is no theoretical reason why the creation of artistic value could not also result from social market networks. As for those critics and artists and concertgoers

² In a way, I would suggest, profoundly ignorant of both. See O’Connor, 2007

and administrators and impresarios and agents and curators and visitors and gallery owners and exhibition designers who make up these networks – they may be historically ‘residual’, like the Kulaks and Slavs, but still seem very much alive and kicking!

The notion of ‘infrastructure’ can be, and certainly is, used to describe the institutions (the organisations but also the related set of understandings and practices associated with them) within which the arts operate. And certainly past values and ‘heritage’ are essential to these, but they are very much involved in the present. That their role could be gauche described as ‘cultural technology’ providing ‘input’ into new creative knowledge could be excused if it helped explain the ways in which these past values are at play in the creation of new values - amongst producers and consumers. These values are explicitly and implicitly implicated in, and constitutive of, the language system of cultural value. It is for this reason that whilst arts institutions have been described as ‘soft’ or ‘critical infrastructure’, to describe the language system within which artistic practice operates as ‘infrastructure’ is highly inappropriate.

Not can the infrastructure/ novelty line be meaningfully drawn in terms of ‘old’ and ‘new’ art. When does one becomes the other – is Damien Hirst infrastructure yet? And what of ‘old’ popular culture? Does *Sgt. Pepper* or *Pulp Fiction* become art/ infrastructure when it grows old? The point being that ‘the arts’ can be actively involved in the creation of current value, involving ‘social network markets’ and public subsidy; and it is thus not theoretically or historically justified to make such a categorical exclusion from the CIs.

But what exactly is that value which merits their continued public subsidy and/ or allows them to act as ‘cultural technologies’? The problem here is the use of *novelty* to describe the value of creative or cultural goods. In criticising this linkage between culture and innovation Kate Oakley (this issue) already makes some telling points about equating cultural or artistic value with novelty. I would simply emphasise that the value of the arts does not and never did reside purely in producing the new. This is an extremely narrow interpretation of what historically the arts have been valued for, namely their reflections on what constitutes the good life, on how we should live, and what we should most value. The knowledge that the arts might bring to the ‘knowledge economy’ is not just technologies for the production of the new but a reflection on the usefulness of that knowledge in human terms; on the means used to acquire it and the ends to which it is put.

This brings us to the question of ‘market failure’. Though this is sometimes presented as a failure *by the arts* to properly engage with the market, it normally refers to two broad arguments. First, that the conditions under which the arts and other heritage goods (Versailles, for example) were produced are now no longer financially viable. Like the extensive preservation required on historical monuments, if we want 19th century grand opera then it has to be subsidised, because as Baumol and Bowen (1966) classically argued, there are limited productivity gains that can now be made. This is the market failure CCI theorists seem to have in mind. The other argument is more related to an inherent failure of markets themselves.

As succinctly presented by Russell Keat (2000), these arguments have historically suggested that the market only recognises consumer preferences, and is indifferent to

the specific quality of these. It satisfies individual wants ‘as they happen to be’, and does not concern itself with ‘the kinds of critical or reflective processes upon which, ideally, individuals might want to base their judgements of what is valuable to them’ (46). It can then be argued:

People’s ability to develop their own sense of what is valuable, and of the relative value of different life activities, will be enhanced by their access to cultural practices in which the tensions and conflicts between various conceptions of the good for humans, and hence of their well-being, are thematised and explored in both discursive and non-discursive ways’ (47).

The ‘market failure’ model does not say that the market can never enable such practices, but that it cannot guarantee them either. Indeed, there are certain tendencies within the market antithetical to such practices. For these reasons cultural practices are deemed to be worthy of public support, sometimes in the form of direct subsidy but there are other models, as we shall see below. The arts as ‘market failure’ does not (necessarily) mean arts as a financial basket-case, as ‘net negative cost’ (Potts, 2008), but a positive public investment in the enhancement of human lives. They are valued public goods not because they have ‘known values’ (goods about which we have full information – for we rarely have or expect such full knowledge of an artistic good) but because they are held to raise the general level of people’s abilities to become better people, living a more autonomous and fulfilled life. That is (whether one agrees with the principle or not) the welfare model is not an economic model but set of public values and choices (which does not mean there are no ‘economic impacts’).

In this sense the arts certainly should be part of the education system; but they are also part of a wider “distributed” learning system (1999; 2005). They are part of the way people learn to live together, to acquire cultural literacy, to reflect on their lives and make choices about what is valuable. The learning system allows us to produce new economic knowledge (think of the relationship between art collages and design or advertising), but also allows us to reflect on the ends of that knowledge. Three questions emerge from this. First, does ‘the arts’ exhaust the notion of cultural goods - can goods produced through the market also be so conceived? If the answer is ‘yes’ and if the market fails the arts, second, can it also fail commercial cultural activities and in what ways? These questions directly point to issues around the cultural industries, discussed below. But a third question is derived from the work of John Hartley: is an arts policy compatible with cultural democracy?

Using television as the primary form of popular culture in the 20th century, Hartley (1999) argues that the knowledge class (artists, intellectuals, teachers etc.) consistently denigrated, opposed or regulated commercial popular culture precisely because it was commercial. This was not necessarily because of an association with ‘trade’ (though this was certainly present) but because the market allowed the inherently unknowable masses to choose for themselves without supervision. That is, they threatened the cultural (and often political) authority of these elites. Commercial culture ‘gives the consumer what they want’ and, from this point of view, treated and thus maintained these as a passive, undifferentiated mass. For the knowledge class, then, the cultural preferences of the masses so threatened established cultural values that for them ‘democracy’ could only be a ‘defeat’.

There is no space for an adequate critique of this position (see Garnham 2003), but two things can be noted here. First, Hartley equates democracy with the market, and a critique of the market, as above, becomes therefore an attack on democracy. This position is exemplified in his collapsing of two key terms of modernity – the citizen-consumer (2005). The sovereignty of the consumer is meant literally in his work. Second, arts and cultural policies are portrayed as an essential part of ‘democracy as defeat’, aiming to instil an obedience ‘not of the Gallows, but of art’ (2005, 8). Arts policy as ‘civic humanism’ therefore is very much linked to elitism and the denigration of popular culture. On the other hand, (American-inspired) commercial popular culture has been a way for the active involvement of consumers, learning how to express and negotiate their conceptions of the good life, in the way we presented above. This negative interpretation of the arts tradition, coupled with the equation of market and democracy, citizen and consumer, means that any positive public support for the arts based on market failure is severely compromised. Market failure can only mean cultural failure, democratic failure. As such whatever residual value the arts might have (and it is difficult to see what this might be), they cannot be conceived as part of the CIs in any significant sense. For with the emergence of new computing and communication technologies, Hartley’s active interpretive audience of modernity becomes the active producing audience of the internet generation. Not only has the market and culture become one, but production and consumption, the other great divide, has also become one system. The traditional tension or opposition between art and capitalism, art and the market has now gone: ‘‘Art’’ needs to be understood as something *intrinsic*, not *opposed*, to the productive capacities of a contemporary global, mediated, technologically supported economy’ (2005, 8-9).

The Cultural Industries

The cultural industries policies are sometimes seen in terms of market failure (Potts and Cunningham 2008), sometimes simply as an ‘industry growth’, rather than innovation, policy model (Cunningham et al. 2008). This ambiguity, I will argue, reflects a misconception of actual cultural industries policies.

The cultural Industries as ‘cultural policy’ had its heyday in the 1970s and 80s (Cunningham 2005). It relates to the post-1960s extension of the democratic legitimacy of art towards ‘popular culture’ and recognition that this (increasingly legitimised) popular culture involved large commercial industries. Cunningham - whose policy writings on this are by far the most extensive in CCI (Cunningham 2008) – interprets this democratic concern in relation to the Nation-State, where these ‘classical’ cultural industries (TV, radio, publishing, film, music etc.) are deemed essential for ‘nation-building’ (Cunningham 2005). Television is the key industry here, which in Europe and Australia at least, were controlled or dominated by the state or public sector broadcasting companies. This was partly for reasons of ‘natural monopoly’ (limited broadcast spectrum) but mostly because certain privileged forms, such as television drama, were deemed to ‘narrativise’ these national cultures. Other privileged forms, such as film, were also subject (in different ways) to public support and intervention as part of the task of building (or defending) a national culture. Cultural industries are thus approached in the guise of national cultural policy, where privileged forms of culture were to be protected against undue foreign penetration and the excesses of market concentration (Hartley, 2005).

This accords with the period Lash and Lury (2007) have recently described as that of 'national culture industry', promoting Adorno's mass standardisation within a particular nation-state. Cunningham is less schematic, seeing this as an extension of the 'arts-welfare' system, now using content regulation, import protection and (where necessary and feasible) direct intervention in the market to promote more sustainable national cultural industry structures. For Cunningham (2005) however, the growing critique of unitary national cultures, the multiplication of channels, the fragmentation of audiences, the proliferation of individualised lifestyles, and the globalisation/convergence of media and communications meant that the cultural industries as (national) cultural policy becomes untenable. So too Hartley's account of the rise of 'cultural citizenship' as an essential adjunct to nation-building, though this was secured as much by (if not more than) commercial cultural enterprises than the state owned or regulated ones. The gradual achievement of 'cultural citizenship' involved an extension of political and social rights to previously excluded groups (Hartley 1999, 157) and recognition of cultural, territorial, ethnic differences within the 'undifferentiated 'identity' with others based on [national] television audiencehood' (158). More recently, in line with Cunningham above, this switching between identity and difference has been set more to the latter, 'promoting 'DIY' citizenship and semiotic self-determination' (159) by active consumers beyond the nation-state.

Cunningham also identifies a second, 'industry' or 'competitive' cultural industries model (Cunningham et al. 2008). Sometimes the suggestion is that the national cultural policy model lost legitimacy leaving only economic justifications in place; sometimes that globalisation and a growing demand for cultural goods led to the cultural industries being taken seriously economically and thus presumably the policy agenda captured by the economic agencies (Cunningham 2005). Be that as it may, in the 1990s the cultural industries were now increasingly seen as economically successful and to be made more competitive (Hartley, 2005); policy interventions were about level-playing fields and market regulation:

'Policy responses under [this model] are not about targeted resource re-allocation [as in the Welfare model], but rather about consistent industrial treatment, or, as in the case of multinational and oligopolistic business, for regulation and control of excess market power.' (Cunningham et al. 2008, 16)

In this version all reference to cultural policy goals have disappeared. Policy treats the sector as 'an industry like any other'. As Hartley says, under this model: "'creative arts" remained one thing; "cultural industries" like media and movies remained another. Creative arts were a form of Veblenesque waste; cultural industries a form of commercial exploitation. Never the twain could meet'. (2005, 14)

Yet it is not clear when or if this 'industry model' existed, nor why, in 'an industry like any other', concerned with 'commercial exploitation', it would need to especially emphasise 'consistent industrial treatment' or 'control of excess market power'. If this policy model mostly concerned 'mature or declining media industries' under threat from new business and technological models (Cunningham et al. 2008, 16), then this might be related to job protection, as with the car industry, textiles or mining. However, it seems inescapable that these concerns relate to some (however erroneous) notion that (national) cultural industries are important not just economically but as part of its identity and thus should be 'protected'. In short, I would agree that this

‘industry’ model is simply part of the ‘cultural policy’ model above, albeit with a recognition of the economic importance of the cultural industries and of the need to foreground such claims.

However, this policy model is also characterised thus:

The distinctive features of this large-scale sector - extreme levels of demand uncertainty, power-law revenue models, tendencies toward monopoly, complex labour markets and property rights, endemic hold-up problems, information asymmetries, highly strategic factor markets, and so on (*e.g.* Caves (2000) and De Vany (2004)) – are held to be addressable under competitive conditions. This is where the neo-Marxist critique concentrates its energies, analyzing how large, powerful, industrial-scale and often multinational businesses parlay culture as commodity and behave just like the rest of the market-capitalist economy. (Cunningham et al. 2008: 16)

It is not at all obvious what is being stated here. In fact, these ‘distinctive features’ were first identified by the Marxist political economy. As noted in the introduction, this argued (*pace* Adorno) that cultural goods were produced and circulated as commodities subject to the laws of the market (i.e. rather than as ‘ideological’ products of monopoly capitalism). However, they did have distinctive features derived from their potential nature as ‘public goods’ (and thus how to ensure payment); from the radical uncertainty of demand; and from the need for high levels of creative autonomy in production (hence how to manage this and recoup the high costs). From this perspective corporate businesses might want to ‘parley culture as commodity’ but these commodities certainly did not behave (despite their best efforts) like ‘the rest of the market-capitalist economy’. Indeed, the rationale for CCIs social network market definition (and so too the work of Caves and others) is precisely to deal with this issue of ‘exceptionalism’ albeit through purely economic methods rather than relying on ‘intrinsic’ or ‘non-market’ values.

The ‘neo-Marxist critique’ does concentrate its energies on these ‘large powerful, industrial scale and multinational businesses’ – because it believes that the market does not necessarily produce, and indeed has strong tendencies to undermine, the sort of culture we might wish to value, simply because it subjects these as much as it can to the maximisation of profit. It has produced a large body of work which tries to show how this might be the case (see Hesmondhalgh, 2007). Its more totalising and gloomy findings are open to dispute; but that there are tendencies within the market towards monopolisation and oligarchy, and towards profitability before ‘intrinsic worth’, is a wildly held view. The cultural industries, though accepted as delivering dynamic, diverse and ‘challenging’ culture through the market, were thus also held to be subject to various forms of ‘market failure’. The ‘distinctive features’ of the cultural industries were not, therefore, simply about the difficult business model which products with unknown value imposes upon firms (all sorts of hidden ‘transaction costs’ and ‘externalities’), but also about their production of goods with public value. That these ‘distinctive features’ are ‘addressable under competitive conditions’ would suggest that a market-based economic development approach is possible that nevertheless accepts that they are *not* an industry like any other – they also involve cultural (policy) values.

The CCI account of 20th century cultural industries posits nation-building as cultural policy's primary goal. But if Lash and Lury (2007) suggest this is 'standardisation' then both Cunningham, in his accounts of the Australian film industry for example (2008), and Hartley (1999; 2005; 2009) see this in much more optimistic terms as a combination of identity and diversity, and extending citizenship and its necessary 'literacy' into the cultural realm. Indeed, despite what Hartley says about the elitism of cultural policy, the complex justifications for the democratisation of culture have multiple roots, from the early 20th century (themselves building on more radical traditions of cultural democracy, cf. Ranciere, 2004), through Keynes's Arts Council and Malraux's culture ministry, through the critiques of Bourdieu and De Certeau (Ahearne, 2004), the post-68 contestations, the community politics of the 1970s and the explosions of punk and post-punk. The contestation of a unitary national identity and the extension of pluralism are part of a long-term social transformation – and these have certainly been registered at the level of cultural policy. But this step back from high nation building did not (necessarily) entail the abandonment of *all* cultural policy goals for the cultural industries and an emphasis purely on industry growth. Though it certainly has presented problems as to how to conceive such a policy.

Cunningham suggests that the debate devolved down to sub-national level and up to the supra-national, with agencies such as UNESCO getting involved in cultural diversity and sustainability issues (Cunningham 2005). In this context he presents a third model - cultural industries as service industry. Focusing on television he outlines how the proliferation of audiences, channels and media carriers has de-legitimised national content production, but this, he argues, brings opportunities in other areas. Television can now be uncoupled from nation building and seen as a public service, providing an infrastructure for creative inputs (based on 'the culturalisation of everyday life' Lash and Urry, 1994) into health, education, banking, electoral politics etc. Its remit would also include equality of access to all kinds of local communities, marginalised groups and experimental content. It becomes part of the infrastructure of an extended public sphere, of which culture is part.

Some version of cultural policy as 'service industry' is now prevalent at local and national levels. Arts and cultural policies emphasise access and participation, information platforms and infrastructure, audience development and outreach. Local authorities stress a general cultural offer that includes public and private sectors, as it does 'art' and 'popular', experimental and commercial culture. Cultural policy is increasingly presented in terms of an accessible infrastructure and less about direct content control, 'instruction' and 'edification', and significant narrative forms – often deemed untenable in a diverse, individualised and multicultural society. This is still a cultural policy, even by default, as Tony Bennett argues (1998); indeed multiculturalism is now a central plank of such policy in the UK (Mulhearn, 2009). On the other hand, it is indeed the case that the economic value of culture becomes much more prominent as older forms of legitimation have been challenged. Does this mean we are free to move on to the CIs agenda as outlined by CCI? I want to examine this question from the perspective of local cultural industries policies.

In the UK, despite the prominence given to the 1998 DCMS 're-branding', it was at the local, urban level that the cultural industries policy agenda was initially and most fully articulated (Oakley, 2006; O'Connor, 2007). The cultural industries policies of the Greater London Council (GLC) and their subsequent development across UK

cities and regions were both local economic development *and* local cultural strategies. In a context where, as Garnham (1990) (following Girard, 1982) noted, the vast majority of cultural consumption was provided for by the market, then any democratic cultural policy – so it was argued - must take this into account. This meant recognising the strengths of the market – that it was not essentially inimical to culture – and its limitations. In the GLC case this usually meant the domination of (often large, multinational owned) distribution over (often local and small scale) production. Intervening meant having to rethink the ‘arts welfare’ model of grants to individual artists and adopt an ‘industry model’ approach – ‘industry’ here referring to a designated sector not mass production (O’Connor, 1999) – with a concern for supply chains and complex combinations of creative and non-creative skills and businesses. It was a cultural policy that drew on post-soviet social democratic approaches to local economic development (O’Connor, 2007). This could be messy and confused (Pratt 2004; Oakley 2006) but it came with the territory; which was that the policy visions and the constituency that drove them involved a new and rather hybrid mix of social, cultural, economic and local political aspirations.

This last is of particular importance as the ‘distinctive features’ of the cultural industries were here augmented by factors absent from CCI’s account. First, was the large number of freelancers and small businesses in the sector, many of whom were motivated as much by cultural values as economic ones, giving rise to particular working practices and sectoral dynamics. Second, and related to this, were the complex linkages between social, cultural and economic policy agendas within these urban political contexts – from diverse funding streams, to complex policy coalitions through to the overarching discourses of creativity, regeneration and re-invention that tied these together (O’Connor, 2005). Local authority cultural/ CIs strategies in the UK involved coalitions of economic development agencies, local area regeneration teams, arts and cultural agencies, and social and community agencies and groups, as well as individual creative workers, paid and unpaid. Support for low-cost workspace, or ‘soft’ finance for creative businesses, or sub-sector industry organisations, or networking events – all these come with expected social, cultural as well as economic outcomes. A complex mix, but the goal would be clarification of objectives, not their reduction to the primacy of the economic objectives.

Social Network Markets

‘Social network market’ purports to explain how value is generated when the information about, and thus the value of, goods is uncertain. That such a definition can apply to nanotechnology or the early automobile industry does not prompt a ‘cultural distinctiveness’ clause – these are, or were, CIs full stop (Potts et al, 2008). As we saw ‘other people’s preferences have commodity status over a social network’ because they carry information about unknown goods. As it is ‘novelty’ rather than any cultural content that is operative here, this allows the authors to extend ‘the set of CIs shamelessly into often low-brow cultural and highly commercial domains such as tourism, sports and entertainment’ (Potts et al, 2008, 175). Why they need no shame to do something that local authorities have been doing since the 1970s, and cultural industries strategies since the 1980s is not clear – other than their ‘anti-elitist’ (175) presumption that such activities are too commercial to be included in the cultural industries, a presumption that an examination of most cultural/ creative strategies would show to be untrue.

As they say, ‘what matters most to this definition is the value of the new, not the value of the good’ (175). This is disingenuous. Many things are new; we judge their value on how useful they are – for solving a problem, or raising new questions, or making us delight in the world. The novel was initially ‘low-brow’ we are told; but we value the novel because of its ‘usefulness’ (educational, political, social documentary, aesthetic etc.) in some way; phrenology was also new and it outsold Darwin.

The question is: on what grounds do we make a judgment that something (new or otherwise) is good? For CCI individuals make this judgment based on how other individuals judge them. That all cultural goods are grounded in social, rather than purely individual, practices is a truism. That we base our judgment of these on the ‘information’ derived from ‘other people’s preferences’ is an absurd reduction that barely warrants refutation. The accretion of individual preferences simply does not account for a complex system of socio-cultural meanings.

CCI seem to have in mind as model the more or less contingent (though not arbitrary) relations between particular styles or signifiers in dress and their status as ‘in’ or ‘out’ of fashion. The ‘content’ of a style then is how it relates to this complex system of other people’s judgments. This is a dance of distinction and imitation outlined by Simmel and Veblen, making fashion a paradigmatic case of social network market (Hartley and Montgomery, 2009). This accords with Hartley’s ‘DIY’ citizenship, in that it is ‘semiotic democracy’ – people make their identity through individual consumption. So too neo-liberal theory, seeing the market as simply giving aggregate expression to individual preference. And both are given fillip by the rise of Internet 2.0 technologies. Hartley’s ‘active consumer’ has become literal. The ‘culturalisation of the economy’ (Lash and Urry, 1994) does not just refer to the pervasiveness of cultural consumption and identity formation, or the input of creative goods into the rest of the economy (Cunningham, 2005). The consumer is now directly involved in production, through blogging, *youtube*, *Myspace*, *Wikipaedia*, *Flickr* etc. and through direct feedback into industry processes (cf. Jenkins, 2006). Building on a mix of ideas from creative commons, consumer and grass roots movements, the libertarian domains of *netizens*, swarms and multitudes etc. they position the CIs as primarily about the rise of the *prosumer*, the co-creator, the user-generator (Hartley, 2005). The citizen-consumer becomes the creative citizen consumer (Hartley, 2009; Potts, 2008).

If the value of creative goods comes from the preferences of individuals within social networks, then social network *markets* are simply the commercialization of this information into commodity form, or as Lanham has it, an ‘attention’ good (Lanham, 2006). According to CCI this is not a necessary step; many social network activities remain non-commercial, as with many fan cultures. They can also be a mix of both paid and unpaid labour, commercial and non-commercial activities. In a case study of an Australian games company, Banks and Potts (2009, forthcoming) argue that altruistic ‘gift’ activities (volunteer co-creation and modification) can co-exist with market motives. Those involved in this voluntary co-creation may combine ‘gift’ motives with others that might be tradable at a later date (such as building skills and reputations in a ‘shadow economy’); these motives need not be distinct but a ‘multiple game’ which transcends these oppositions, combining them into one ‘play’.

I use this as one of the few empirical cases to be found in CCI conceptual writings. These creative practices that tread the lines between paid and unpaid, ‘altruism’ and (future) commercial gain (‘shadow economies’) are certainly emerging in new contexts, and transforming business practices in many ways that need investigation. But these ‘multiple games’ are absolutely not new, nor is academic writing about them. Indeed, the varied combinations of meaning and money, as both business model and entrepreneurial ‘habitus’ was identified within work at MIPC (Wynne and O’Connor, 1994) and have long been a staple diet of both creative business support services and case studies of creative entrepreneurs and their milieu (see O’Connor 2007 for some references). These practices are embedded within social norms, ethics and values that ‘police’ the actions of the members, sometimes place-based but often (also) virtual. In this case, for example, the user network thought that the games company had violated the rules – they had used the network to test the game and to generate ‘attention’ (and hence enhance its potential commodity value) but had then cut short the consultation process. The company’s desire (or desperate need) to get the game out to market had, I would suggest, betrayed the ‘intrinsic value’ (my words) embedded in the co-creation process and of which the game was a product.

This suggests, first, that in the collaborative creation of cultural goods there are shared norms and procedures that allow these producers to exercise on-going judgment of value – whether this be a creative team, a co-creative user network or a cluster of SMEs in a project. Keat (2000), following the work of Alasdair MacIntyre (1981), calls these practices: ‘any coherent and complex form of socially established cooperative activity through which goods internal to that form of activity are realised’ (Keat, 22). If cultural goods are produced according to standards established by that practice then the value of these goods emerges, in part, from that practice. This is the source of ‘information’: they acquire a reputation and a recognized ‘expertise’ based on adherence to this practice. The audience also participates in this practice – ‘though one must (at least initially) be willing to subject one’s own attitude, choices and tastes to the authority of its standards’ (23). It is a process of learning what is valuable and why; an attitude of ‘respect’ (MacIntyre’s examples are Bartok and Baseball). Keat argues against MacIntyre’s view that practices are incompatible with the market - they are compatible and most cultural industries research would concur (see also Banks, 2007); but there are also tendencies within the market which render them ‘fragile and insecure’ (Keat, 28).

What these tendencies are cannot be fully outlined here. I would point out the growing body of research on the impact of new kinds of market pressures on creative practices in workplaces and for freelancers (see Banks and Hesmondhalgh this issue, and Pratt and Gill, 2009 for overview). This is now the focus of an emerging cultural politics – around ‘precarity’ and ‘immaterial labour’ for example – which has no place in CCI thinking. In the light of the above example, the problem is not just that of ‘free labour’ (Terranova, 2000). The digitalization of social networks certainly opens up new possibilities for creative production, but they are also sites for the (potential) commodification of these social relationships in ways that we are still uncertain about. The reputational values established by expert users may well be commodified against the wishes of the members, and in ways that disrupt and diminish the quality of the practices involved. On a more macro level, writers such as McRobbie (2002) and Wittel (2001) argue that networking within the CIs is already beginning to commodify social relations, as socializing becomes a means of business

promotion. Boltanski and Chiapello (2005) have also pointed to the transformations of work and social life as ‘connexionist’ capitalism has shifted to one of networks and mobility (see also Sennett, 2006)

CCI tends to see this co-creation as an empowerment of the creative-consumer-citizen, over the ‘expert producer’ - and that this is in some way ‘democratic’, an extension of the DIY citizen. I would suggest, however, that practices of co-creation frequently move into conflict – and the terms are intrinsic values and ethics as against commercialisation. Further, in order to understand this we need to know how these industries are structured, where power is located and how it is used. Hartley sees the (Marxist) concern with power as implying the passive consumer controlled by the machine (1999). As Hesmondhalgh (2007) has argued, a concern with industry structure does not mean that consumers cannot interpret texts in an active way – but such questions of power within the industry cannot be set aside.

The ability of citizen-consumers to be active depends on learning, on a ‘cultural’ and latterly ‘digital’ literacy (Hartley, 2009). Though one might have sympathy for the ‘distributed’ conception of learning, that this process of learning is given over to the commercial market with no notion of how this might impact upon cultural citizenship is a serious flaw. Of course, if the market is about satisfying preferences, and individual preferences are all that is involved in the construction of DIY identity then there is not much problem. Indeed, it is public service and the (illegitimate) forms of social authority it stands on that are the problem³. Though *Uses of Television* is concerned to assert a supposedly marginal position on the active audience, the fact that it does not consider for a moment the possible downsides of media convergence, de-regulation and globalisation is telling. Garnham suggests Hartley has a ‘Polyannaish’ view of the ‘practices of ... commercial media’ (2003, 198). Equally, ‘semiotic democracy’ conceived as ‘democratisation without politicisation’ can be seen as a ‘naïve pluralism’ and an ‘evacuation of political economy’ which Chantal Mouffe – on which Hartley heavily relied – has argued strongly against (Karppinen, 2007, 36-37). As Garnham pointed out, cultural democracy, in a situation of limited resources, inevitably entails questions as to the allocation of these resources, which is precisely politics.

That new Internet technologies are changing business models is not in question, though the extent of this is currently unclear. That they are transforming the authority of the expert producer into a democracy of creative citizen consumers is wishful thinking. That the CIs can be understood apart from ‘industry’ structures, labour markets and government regulations is not viable; in such a context ‘social network markets’ can only be pure ideology. I would also argue that the attempt to separate CIs from cultural policy is also ill founded. Creative production is very much structured around practices concerned with ‘intrinsic value’ and these values are – ideally – to be shared with the both the expert consumer and the expert citizen. If creative goods are non-functional then, in social network market theory, the novel knowledge that they produce can only pertain to their business benefits (i.e. knowledge institutionalized by entrepreneurs). If they are also part of active citizenship then they are to be judged on this basis – how far do they enhance this citizenship? This is a cultural policy question and one that also allows us to question,

³ This connection between social skepticism and the free market is identified by Keat (2000, ch.2).

as citizens, the proper place of the market. Recent events have underlined (again) that markets are not the ultimate arbiters of value; that they are to be valued as tools not as ends in themselves. As such it is perfectly legitimate to have cultural *and* economic goals for the CIs; and their contribution to the knowledge economy is to ask about human ends as well as develop new business opportunities.

The idea of culture is a general reaction to a general and major change in the condition of our common life. Its basic element is its effort at total qualitative assessment General change, when it has worked itself clear, drives us back on our general designs, which we have to learn to look at again, and as a whole The working-out of the idea of culture is a slow reach again for control. (Williams, 1958, 285)

Postscript

The problems occur when the promotion of these industries is presented exclusively in terms of the contribution to economic development and growth. Though this economic dimension is absolutely crucial to our understanding of, and policy intervention in, the sector – something the cultural industries and cultural materialist arguments always stressed – in presenting the case it is very easy for it to become the dominant discursive strategy. Since at least the GLC period in the 1980s, and parallel with the debates about the ‘economic impact of the arts’ (Myerscough 1988) in urban economies, attempts to justify arts and cultural spending in terms of ‘investment’ rather than ‘subsidy’ have been strategically important. The search for the ‘killer app’ where this importance is finally proved beyond all doubt has been on since Myerscough and others in the 1980s and 1990s. It was present in the pragmatic renaming of the cultural industries by Chris Smith in 1998, faced with the scepticism of the Department of Trade and Industry (Smith 1998). It is there in Florida’s win-win scenario of tolerance, culture-led regeneration and economic growth, backed by the requisite statistics (Florida 2005). It is there in the accumulation of ever more sophisticated statistics on employment and growth in the creative industries. But it has its limits, and these must be made clear. For the search for the perfect economic justification is fundamentally illusory, and it ends by undermining the object of its policy interest and the constituency on which it needs to build.

The values put into play in the multiple acts of creation across the creative field are not uniquely economic. Social network market theory allows for non-commercial activities, but this formulation of creative industries policy does not allow these to be taken into account in any other way than as a contribution to the economy, as a ‘service to innovation’. What has previously characterised primarily economic development agencies in dealing with the creative industries was their need to impose economic models and metrics on a sector frequently resistant to these. In the CCI approach, these distinctive dimensions are recognised but given no weight outside their contribution to innovation. Paradoxically, in focusing on the dimensions of creativity and innovation, rather than the clumsy measures of commercial output, as the primary locus of economic impact, the potential for exploitation increases.

This is what is at stake in the debates around precarious labour and the (self-) exploitation of creative work. That it is precisely those values of self-fulfilment,

meaningful work and creative integrity that are being used to exploit creative producers and get them to take the risks of a volatile and over-supplied employment market on their own shoulders. And indeed, that they are being drawn into using their social and cultural networks as resources for their own businesses advancement in a way destructive of personal and cultural life (Wittel 2001; McRobbie 2002). There is too much evidence accumulating for this to be dismissed as the carping of neo-Marxists. Nor are they adequately addressed by Cunningham's call for 'responsible pedagogy' – for academics not to exclusively engage in culture critique but equip potential creatives with the knowledge and tools to survive in this new world (Cunningham, 2008). Though this is certainly necessary there are systemic tendencies at work that cannot be addressed in such an individualised manner. The 'culturalisation of the economy' cuts both ways. So often presented as a 'benign' narrative where the false opposition of culture and economics is dissolved in mutual respect, the process can also involve the 'economisation of culture'. Businesses are quick to recognise the potential value of social network markets and integrate them into their production and marketing systems. The increased visibility and manipulability of these social networks introduced by the Internet only adds to the potential for the commodification and exploitation of hitherto immune social networks and realms of personal and collective experience (think of the rapid turn around in business attitudes to football fan cultures and massive spike in destructive commercialisation this has brought with it).

Recognising the enormous implications of the 'culturalisation of everyday life' for economic development and growth is useful and necessary; but to use this as a way of dissolving the tensions between economics and culture is reckless. People are still very much involved in the production of values that are 'cultural' and 'social' and 'ethical' and these are taken with them into their working and business life, should these activities lead in this direction. If the expansion of creative employment has opened up new opportunities it has also presented new sets of challenges as to how to hold on to these cultural and ethical values in the face of new employment and business practices which extend their activities into the very interstices of their social and cultural networks, into the resources on which their creative identities depend (Banks 2007).

The CCI approach is in danger of complicity with much of this. The distinctiveness of the cultural/ creative industries – expressive or symbolic or cultural value – are here reduced to their novelty, their contribution to knowledge viewed as that which facilitates economic development. But these activities retain their cultural/ symbolic and ethical dimensions that can cut across these economic concerns and need to be acknowledged. Design too has always had its politics and ethics which come precisely from questions as to what social relations, what activities are being 'sculpted', and for whose benefit exactly. Social network markets might allow us to ask these questions in a different way; they do not make the questions redundant.

In this context the position of 'the artist' still retains critical power. Whilst critiques of capitalism's annexation of artistic 'self-realisation' and the generalisation of 'bourgeois-bohemian' lifestyle are telling, there remain other dimensions that are not so welcomed as proto-Schumpeterian values. As I have argued elsewhere, the discourse of 'creativity' has taken some aspects of artistic activity but left much behind (O'Connor 2007). Sennett, for example, wants to assert the values of slowly

acquired skills associated with ‘craftsmanship’, which are so frequently invoked by artists, and, which are deemed increasingly redundant in the new discourse of portfolio careers and the capacity to pick up and drop skills as required (Sennett 2006; 2008). New forms of work undermine the sense of security and self-respect that in the past could accommodate the commitment of the ‘craftsman’ to the intrinsic values associated with ‘fitness for purpose’ and a respect for the material demands of the job in hand, rather than the over-arching instrumental ends which can frequently compromise these. This conflict of ‘intrinsic’ and ‘instrumental’ is not a fixed opposition, but one in which ‘getting the balance right’ becomes a major concern of the vast majority of creative producers I have interviewed. This does not just apply to their own working practices, where commitment to a level of aesthetic and professional integrity can often lead to exploitation, but also to the involvement of creative producers in urban regeneration, or urban art or other social and cultural initiatives, where commitments to the demands of the job often rub awkwardly with the instrumental structures in which they sit.

The uncritical annexation of the creative industries to the innovation system of the knowledge economy risks being implicated in that process of endless development, endless accumulation which has been subject of increasingly urgent critique since the 1960s. Again, whilst the desire for self-realisation and non-alienated labour may have been annexed by the new cultural capitalism (Boltanski and Chiapello, 2005), the notions of anti-development that went with these have been less popular amongst management gurus. The emphasis on the production of ‘novelty’ as the defining characteristic of creative practice is a one-sided version of this practice. It reduces ‘art’ to a particularly modernist definition, with its systematic iconoclasm and repudiation/ overcoming of the past. Modernism was born within this modernisation process and was both its product and critic. The development of ‘cultural’ capitalism in the last 40 years has brought out the homologies between modernism’s endless revolution and that of capitalism’s creative destruction. The role of culture in stimulating the endless desire for the new is acknowledged by the formula of the ‘culturalisation of the economy’ just as it is giving rise to new kinds of critique. Art has other values and other practices – the slow acquisition of skill and mastery, the renunciation of ego, the search for balance and harmony, for the ‘golden rule’ and the ‘middle way’, the active custodianship of past forms. The reduction of these to ‘services to innovation’ and the production of endless novelty risks travesty. ‘Novelty’ might work as a kind of shorthand in an economic discourse, but as a wider foundation for the value of the creative industries it is both shallow and ultimately destructive.

The ‘political economy’ criticisms of the way ownership and control distort markets are still with us and the notion of social network market does not get around this. CCI certainly identifies some key areas of concern – issues around the abuse of free user generated content development or the restrictive use of intellectual property – but these are couched in the purely economic concerns, around restrictions on the circulation of knowledge. These are perfectly legitimate concerns, but are not exhaustive. Many of the debates about the malfunctioning of markets concern questions of how we want to live and how this economy might serve our needs, not vice versa.

We cannot equate capitalism and the market. Polanyi (1957) made the point a long

time ago that market relations pre-date capitalism by many thousands of years. China was an example of an extremely sophisticated market society that was not capitalist. Capitalism can be said to come into existence when the quest for capital accumulation becomes the primary, defining goal of the state. Markets have been enormously extended under capitalism with great material benefits; but they have also been subject to systematic distortion and abuse. It is by no means coincidental that interest in Adam Smith has switched, over the last decade or so, from a concern with the 'invisible hand' of the market that went to justify much of the neo-liberalism of the last 40 years, to his extensive writings on its regulation from a moral point of view. Smith's market society was one where commodities were converted into money that was used to buy more commodities (C-M-C); capitalism, as identified by Marx, was marked by the conversion of money into more money via the production and exchange of commodities (M-C-M). This powerful dynamic of 'endless accumulation' gave rise to the 'great transformation' with which we are still living today (Arrighi 2007). The 'idea of culture' in Williams' formulation was a dialogue of two centuries within which these transformations were called to account: to justify themselves in the light of reason and the ethical foundations of our common life.

This dialogue was about 'the idea of culture', but as Francis Mulhern (2009) points out, this is not the same as the actually existing 'real thing'. It was a critique of the many illusions in this 'idea of culture' that led Williams towards his growing concern with the material basis of culture. It was a 'cultural materialism' in the sense that culture could reflect upon but was also dependent on forces – economics, politics – outside itself. But also in the sense that the making of culture has a certain materiality, an evolving dynamic which often wrong foots the great cultural commentators, from Coleridge and Ruskin to Leavis and Adorno, with its complex twists and turns and surprises. In this sense evolutionary economics and complex systems theory are certainly right to suggest that things mutate and adapt in ways that politics or cultural policy cannot control or predict. History moves forward on the dark side, says Hegel, anticipating Marx. We have to learn to recognise these limits, to be open and flexible in the face of complexity and change. This does not mean politics is futile; or that cultural policy is redundant.

Cultural policy is certainly about the 'idea of culture', 'a general reaction to a general and major change in the condition of our common life... [An] effort at total qualitative assessment'. Williams' materialism is concerned with how culture is actually produced and consumed, the material conditions in which these activities take place. This materiality, its rootedness in the economic, social and political worlds of individuals and communities, means that its economic opportunities and contributions certainly need to be recognised. But this is also an identification of what we want to change, what we feel is unjustified, in existing arrangements.

Ray and Sayer (1999) once opposed culture to economics as the 'intrinsically meaningful' to the 'instrumental'. Cultural policy is certainly concerned with these substantive values as opposed to the instrumentality of economic means. But not only must cultural policy work with the instruments of economics, sometimes, as Du Gay and Pryke (2002) argued in response, the 'instrumental' can be more liberating than the substantive. They refer to Max Weber's example of the formal workings of positive legal principle being used to challenge the substantive theological values of the state and assert formal equality (everyone must undergo the same procedure)

against a theologically enshrined inequality (2002: 10-11). One thinks of Thatcher's Enterprise Allowance Scheme, conceived as a mechanism for turning the UK into a nation of (Conservative voting) small businesses, resulting in the proliferation of cultural entrepreneurs professing utterly opposed values.

Du Gay and Pryke make a further point, that any categorical distinction between 'intrinsically' and 'instrumentally' oriented activity is impossible, these judgments are 'contextually specific and historically contingent' (2002:11). In making our distinction between economic and cultural values we have to be very clear about this. The economic conditions within which culture is produced and consumed have to be recognised and acknowledged. As so often happens the 'intrinsic' values upheld by cultural policy become irrelevant, or obstructive, to cultural life, which might be much better expressed through the dynamics of the market. This was what happened with the implacable opposition of art and market that underpinned much of the post-1945 cultural policy settlement. This was an opposition the cultural industries argument attempted to sidestep. It recognised the economic foundations of cultural production and consumption, and attempted to use these to its own ends. It formulated a new version of a democratic cultural policy that could use economic instruments to achieve its goals. Similarly, in the last 25 years we have witnessed a transformation of the *habitus* of the artist, one that can now relate to entrepreneurial activities and the complex realities of the market in a way very different from the 'bohemian' or 'art for art's sake' *habitus* described by writers such as Bourdieu (1996). This does not mean that aesthetic, cultural and ethical values are not at play, or that they do not face the difficulty of negotiating these across an economic force field so often pushing in the opposite direction. Not does it mean that the figure of the artist has been consigned to the museum – in fact it is very much present at the heart of popular cultural discourse (O'Connor, 2006).

A creative industries policy that does not acknowledge these values runs the risk of losing its constituency – which, though ostensibly policy makers, in the end has to be that of the intended policy target. To attend any conference on the creative industries is to find that many in this constituency are deeply sceptical. To describe these industries as 'services to innovation and knowledge' is not how they themselves would describe it; it is a language gap that betrays a real values gap. That this constituency is deeply engaged in the complex social network markets which have expanded in the last decade does not necessarily mean they will respond to the notion that the arts are history. As we have argued, getting rid of the arts not only ignores the multiple contributions that these make to contemporary cultural production but also the sort of values that producers regularly claim for themselves. Not just in content but in the everyday working and business practices in which these producers engage, and the dilemmas and conflicts they encounter (Banks, 2007).

Rather than 'residual', 'dominant' and 'emergent' we might see these different policy models like Wittgenstein's metaphor for language:

Our language can be seen as an ancient city: a maze of little streets and squares, of old and new houses, and of houses with additions from various periods; and this surrounded by a multitude of new boroughs with straight regular streets and uniform houses. (Philosophical Investigations: Aphorism 18)

We might then add the proliferating edge cities and ex-burbs of the 20th century. They are all co-present in the complex language game of policy. Creative industries-as-innovation does certainly have an important role to play in this evolving city of policy, but they should not be used to blot out the values and the structures of the rest of the city. The city of policy is endlessly adaptive (Hill, 2008), not a series of dead rings of which only the latest is alive.

The economic argument must find space for the critique of economics, just as the tools of economics must be understood in their full materiality when being used as instruments of cultural policy. For those concerned to give these economic dimensions their full and complex weight it is tempting to loose the cultural baggage in order to get a seat at the table of the powerful. The creative industries-as-innovation provides the point of perfect leverage, but is in danger of losing a constituency.

He has found the Archimedean point, but has used it against himself; evidently this was the condition necessary to finding it. Kafka: Aphorisms

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