FROM CULTURAL TO CREATIVE INDUSTRIES
An analysis of the implications of the "creative industries" approach to arts and media policy making in the United Kingdom

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This article analyses the cultural policy implications in the United Kingdom of a shift in terminology from cultural to creative industries. It argues that the use of the term "creative industries" can only be understood in the context of information society policy. It draws its political and ideological power from the prestige and economic importance attached to concepts of innovation, information, information workers and the impact of information and communication technologies drawn from information society theory. This sustains the unjustified claim of the cultural sector as a key economic growth sector within the global economy and creates a coalition of disparate interests around the extension of intellectual property rights. In the final analysis, it legitimates a return to an artist-centred, supply side defence of state cultural subsidies that is in contradiction to the other major aim of cultural policy – wider access.

KEYWORDS creative industries; cultural industries; information society; arts and media policy

In the arts policy documents produced by the British Labour Party prior to its 1997 election victory, it used the term "cultural industries" to describe the range of activities with which it was principally concerned (Labour Party 1997). In the government policy documents it produced after victory in that election, the organising term shifted to the "creative industries" (DCMS 1998).

This article is about the implications of this shift in terminology within arts and media policy discourse, and associated academic research and analysis, from "cultural industries" to "creative industries". It will be my argument that we are not dealing with a mere neutral change of labels, but that there are both theoretical and policy stakes involved in this shift. In order to understand these stakes, we will need to unpick the various strands of analysis and policy that have led up to this shift and feed in complex ways into the current meaning of "creative industries" within arts and media policy discourse.

My central argument will be that we can only understand the use and policy impact of the term "creative industries" within the wider context of information society policy. For the use of the term "creative industries", as with related terms such as "copyright industries",

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"intellectual property industries", "knowledge industries" or "information industries", serves a specific rhetorical purpose within policy discourse. It serves as a slogan, as a shorthand reference to, and thus mobilises unreflectively, a range of supporting theoretical and political positions. This lack of reflexivity is essential to its ideological power. It disguises the very real contradictions and empirical weaknesses of the theoretical analyses it mobilises, and by so doing helps to mobilise a very disparate and often potentially antagonistic coalition of interests around a given policy thrust. It assumes that we already know, and thus can take for granted, what the creative industries are, why they are important and thus merit supporting policy initiatives.

The policy issues at stake are long established ones in the fields of arts and media. In which cultural fields, why and how should the state intervene? Historically there was a clear division between policy towards the arts, based broadly on principles of patronage and enlightenment and on assumptions of an inherent opposition between art and commerce, and policy towards the mass media, and therefore the provision of mass or popular culture, where the main concerns were press freedom and pluralism, defence of a national film industry, and the regulation and public service provision of broadcasting on grounds of spectrum scarcity. In these cases, policy was based largely on an economic analysis of what, it was always accepted, were large-scale economic activities, or industries, operating largely under market conditions, and on the various forms of market failure that justified regulation.

In the United Kingdom, this division was also marked by a division of policy responsibility between the Department of Trade and Industry for the press, the Postmaster General and later the Home Office for broadcasting, and the Arts Minister and the arms-length Arts Council for the arts. In the cases of the press and broadcasting policy, development was marked by a series of major Royal Commissions for the press and Public Inquiries for broadcasting. As we shall see, what was involved in the mobilisation of the term "cultural industries" and then the term "creative industries" was a redrawing of these boundaries: redefinitions of the grounds, purposes and instruments of policy. In particular, involved in such shifts have been economic arguments concerning the structure and dynamics of the industries, their place and relative weight within the economy more generally, and thus the relationship between cultural policy and industrial and economic policy.

In order to make clear both the historical continuities and the shifting tensions across the field, I will refer to "arts and media policy" rather than "cultural policy", because the latter term is not neutral. It is, together with the term "culture industry", a specific way, within a longer trajectory, of thinking about and configuring this set of distinctions and tensions. That these distinctions and relationships still matter is shown by the current title of the responsible Ministry – the Department of Culture, Media and Sport.

The shift to creative industries did not come out of the blue. It was motivated by a historically specific political context, but it brought together and was one among a range of products of strands of policy thinking going back to the early 1980s. The general context was the shift from state to market across the whole range of public provision, initiated under the Thatcher government. The Labour Party (rebranded as "New Labour") wished to signal that it not only accepted, but wished to accelerate, this shift. This was linked to a new relationship under Chancellor of the Exchequer (i.e., Finance Minister) Gordon Brown between the Treasury and the spending departments under which public expenditure was to be seen as an "investment" against which recipients had to show measurable outputs against pre-defined targets. This explains the shift to and reinforcement of "economic" and "managerial" language and patterns of thought within cultural and media policy. However, the continuing use of the term "industries" would have served well enough to signal this. Why "creative" rather than "cultural"? To understand the motivation for the shift from cultural to creative industries, and its possible policy implications, we need to disentangle the various schools of thought and related policies that led up to and fed into the adoption of the "creative industries" term.

Cultural Industries and the Political Economy of Culture

The first strand of thought, marked by the use of the term "industry", demonstrates a continuity with cultural industries thinking – namely, thinking about the arts and media in economic terms. When Adorno and Horkheimer first coined the term "culture industry", they did so for polemical reasons and to highlight what they saw as a paradoxical linkage between culture and industry (Adorno & Horkheimer 1979). Within the wider frame work of a critique they called the "*Dialectic of Enlightenment*", they were opposing the then-dominant mass society theorists. These theorists saw the problems of mass culture and the relationship between ideology and capitalism in terms either of an elite/mass or a base/superstructure distinction. In the former case, the commercialisation of culture was seen as vulgarisation because of the mass's lack of education. In the latter case, while largely sharing this position, it was seen as ideological manipulation and mystification stemming from bourgeois control of the channels of communication. Adorno and Horkheimer, on the contrary, saw the problem as one of commodification and alienation. The term "culture" referred to the German idealist notion of culture, following Herder, as the expression of the deepest shared values of a social group, as opposed to civilisation, which was merely the meretricious and superficial taste and social practices of an elite, and of art as the realm of freedom and as the expression of utopian hope. The term "industry", on the other hand, referred both to Marxist economic concepts of commodification, commodity exchange, capital concentration and worker alienation at the point of production, and to the Weberian concept of rationalisation.

Thus for Adorno and Horkheimer it was not a manipulative use of ideology and propaganda, but a general shift to the commodification of cultural products and the alienation of the cultural producer as a wage labourer within increasingly concentrated large-scale corporations, rather than either the low educational level of the masses or the direct bourgeois control of cultural production, that explained both the forms of contemporary culture and the ideological hold of both democratic capitalist and authoritarian regimes. Attention was shifted from the overt content of culture to its forms, and from the cultural product to the relationship between cultural producers and consumers. This culture industry analysis of the arts and media was marginalised during the Cold War and the long postwar boom as both elitist and irremediably marked by a Marxism that was both subversive and *démodé*.

The Cultural Industries and the "Cultural" Turn

The culture industry approach returned first to the academic and then to the political and policy discourse in the late 1960s – for instance in the Situationist critique of "The Society of the Spectacle". This return stemmed both from a revival of Western Marxism, with its central concern with ideology and hegemony and associated rediscovery of the Frankfurt School, and from the wider "cultural turn" in sociology that shifted attention away from the analysis of social structure and class towards the analysis of culture. Social cohesion was now explained in terms of shared belief systems; social domination in terms of cultural hegemony and social struggles were seen not as struggles over economic power and material distribution, but as struggles between sub-cultures and identity groups for recognition and legitimation.

However, the term now widely adopted – "cultural industries" – did not now indicate a simple replay of the Frankfurt School's analysis, for two reasons. In its new usage, the term did not necessarily share either the elitist, cultural pessimism of the Frankfurt School (although some did) or the particular version of the Marxist economics that underpinned it. In fact the revived usage of the term "cultural industries" covered a crucial theoretical disagreement, and thus also policy disagreements. Once again this split can be simply seen in the relative weight given to "cultural" or "industries". On the one hand were those in the sociology of culture and media, and what developed as cultural studies, who were arguing for a shift away from a base/superstructure approach to problems of ideology and hegemony, and away from what they saw as the economistic focus on production and work underlying a failed and reformist Labourist politics. For this group, the use of the term "cultural" signalled a move away from the economistic base/superstructure paradigm to focus on culture as a sphere of relatively autonomous social practice and as the key locus of hegemony. From this position stemmed a replacement of traditional working-class politics based upon the point of production with a cultural politics. The site of oppositional political practice moved from the factories, trade unions and political parties to the home, the rock concert and especially the classroom. In at least some versions, this position was also associated with a decisive rejection of both Frankfurt School cultural pessimism and the social-democratic critique of commercial, and especially American commercial, culture in favour of a positive revaluation, not to say a celebration, of popular culture and the supposed subversive decoding powers of the audience. Here, importantly, the "cultural industries" label also indicated a shift of emphasis away from the analysis of the press and news broadcasting, their possible political effects and the association between their ideological content and structures of ownership and control, towards the entertainment industries of music, film and television.

On the other hand, the use of the term "cultural industries" also signalled a rival school of analysis later dubbed the "political economy school". These analysts stemmed more from media studies and those who had been involved in the social democratic policy analysis of the press, film and broadcasting industries and their regulation. For this group, of whom I was one, the main problem with the Frankfurt School analysis was not its cultural pessimism so much as the superficiality of its economic analysis. Far from rejecting economism, this group took the term "industries" seriously and attempted to apply both a more detailed and nuanced Marxist economic analysis and more mainstream industrial and information economics to the analysis of the production, distribution and consumption of symbolic forms.

Here the use of the term "cultural" had two meanings. First, rather than the Frankfurt School's references to a very general model of the capitalist economy as a whole, it emphasised, influenced by information economics, the special features of the economic structure and dynamics of symbolic production, distribution and consumption. Second, it referred to the processes of vertical and horizontal concentration and conglomeration that were increasingly creating, out of what had previously been the distinct industries of print publishing, film, broadcasting and music, a unified economic sector on a global scale. Here the policy implications of the term was that it no longer made sense to craft policies and regulations, or to think about issues such as pluralism, for one of these industries in isolation.

I want at this point to stress both the continuities and disjunctions in the economic analysis of the cultural sector between the cultural industries and creative industries approach. In understanding the implications of the shift, it is important to stress, against those who would hang on to a traditional opposition between culture and markets or between culture and economics, the shared approach to the sector as an industry and the need to take the economics of the sector and the operation of the markets for symbolic goods and services seriously in crafting policy. The differences lie rather in the type of economic analysis made and thus the policy conclusions drawn from it.

The Political Economy of the Cultural Industries

As I have said, the political economy version of cultural industries stressed the particular nature of the economic structure and dynamics of the cultural sector, stemming from the symbolic or immaterial nature of its product, which in its turn provided the justification for regulation on the basis of the particular forms of market failure involved. This analysis has been of particular importance throughout the 1980s and 1990s as the liberalising, deregulatory tide hit the British media sector. It has had particular pertinence in the debate over broadcasting regulation and the defence of public service broadcasting leading up to the 2003 Broadcasting Act and the creation of the regulating body Ofcom (see Hesmondhalgh's article in this issue) and in the debate over telecommunications regulation and the related understanding of, and policy approaches to, the relationship between cultural products and services and the technological infrastructure for their distribution – the whole process that became known as "digitalisation".

Thus the cultural sector or industries were defined as being characterised by the following. *High fixed costs of production* (what in the newspaper industry were referred to as "first copy costs") *and low to zero marginal costs of reproduction and distribution*, thus favouring economies of scale, audience maximization and both vertical and horizontal concentration. *Uncertain demand* in that information has to be new to have any value, which means that neither producers nor consumers can know in advance what they want. Thus the slogan "nobody knows" (Caves 2000) coined to describe a key characteristic of these industries and the high risks of investment in a sector where a small proportion of hits pays for the larger number of flops. This favours large corporations with deep pockets who can employ economies of scale. It has also led to marketing costs becoming an ever higher proportion of total costs.

Inherent public goods features stemming from the non-destruction of the symbol in consumption and thus the difficulty of maintaining exclusivity and capturing realisable demand through any price structure, on the one hand, and, on the other, the potential under-consumption and welfare losses that result from charging when one person's consumption of a good or service in no way diminishes anyone else's access to that good or service. The business strategies historically developed to overcome this endemic problem largely account for both the structure and regulation of the sector and very importantly include indirect financing through advertising. Thus crucially for arguments over state intervention, regulation and privatisation in the cultural sector, the supposedly normal market relation between producer and consumer through the price mechanism does not apply. It is here also that we find the whole problem of intellectual property and the alternative description of the creative industries as the "copyright industries".

In terms of *relations of production*, central as we shall see to the current debates and polices around the cultural sector is an understanding of the role of "creative workers". The political economy analysis of the cultural industries stressed, in contrast to the original Frankfurt School analysis of the rationalisation and alienation of cultural labour as wage labour under industrial conditions, the survival of older relations of craft production and subcontracting for key "creative" labour inputs, governed by complex contractual relations over intellectual property. From this perspective, the cultural industries are seen as complex value chains where profit is extracted at key nodes in the chain through control of production investment and distribution and the key "creative" labour is exploited not, as in the classic Marxist analysis of surplus value, through the wage bargain, but through contracts determining the distribution of profits to various rights holders negotiated between parties with highly unequal power (Caves 2000).

In terms of *relation to technology*, in developing his original culture industry thesis, Adorno made an important distinction – in particular in his debate with Benjamin over the effects of technology on art – between those cultural industries employing technology to distribute cultural products made by traditional means (e.g., musical recordings or the printing of books) and those where technology was inherent to the production of the form itself (e.g., film) (Adorno 1980). In current debates over digitalisation and the impact of the Web this is a distinction that is too often forgotten. However, the crucial point to be made here is that the political economy approach placed its major emphasis on the technologies of distribution, on the ways in which key economic and regulatory debates were to be seen as struggles over access to distribution under shifting technological conditions without any necessary effect on either the nature of the product being distributed or the relation with the audience. In particular, this analysis stressed the ways in which the profits of the whole process were returned to controllers of technological distribution systems rather than to the original producers of the cultural products or services. This is important because the shift to the terminology "creative industries" has taken place, and can only be understood and assessed, in the context of a wider debate about the impact of information and communication technologies (ICTs) and digitalisation and the relationship between the deployment of new communication networks and the products and services carried over them. In short, policy towards the "creative industries" can no longer be separated from ICT policy in its various forms and the wider information society perspective within which that policy is formulated. It is to that issue that I will now turn.

Creative Industries and the Information Society

My main argument in this article is that the choice of the term "creative" rather than "cultural" is a shorthand reference to the information society and that set of economic analyses and policy arguments to which that term now refers. It is an attempt by the cultural sector and the cultural policy community to share in its relations with the government, and in policy presentation in the media, the unquestioned prestige that now attaches to the information society and to any policy that supposedly favours its development. The information society perspective in its turn involves a number of different analyses both of the development path of the global capitalist economy and of the relationship of that development to wider social trends. In order to understand the ways in which this wider analysis modulates into arts and media policy and assess its policy impact, we need first to unpack the information society argument, assess the evidence in favour of its various strands and understand the often contradictory implications of what is too often lumped together as though it were one coherent vision. Only then can we understand the ways in which the "creative industries" perspective has borrowed selectively from this tradition of thought and without seemingly often understanding either its dubious evidential base or its contradictory policy implications.

One key strand information society thinking shares with the cultural turn school is an emphasis on the increasing importance of symbolic or cultural production, now dubbed "information" or "knowledge", within capitalist economies. However, this broad emphasis contains within it a range of distinct analyses of the nature of this growing importance and the economic forms it takes. And in their turn, these different analyses result in different assessments both of the importance of the cultural sector in its narrow sense of the arts and media, and of the nature and role of information work and workers (for which read "creative"). The vision of the information or knowledge economy as a new stage in the development of capitalism on a par with the industrial revolution, and bringing major social and cultural changes in its wake that justify the term "information society", has a number of sources.

Bell and Post-Industrialism

Perhaps the best known source is Daniel Bell's theory of post-industrialism (Bell 1973). Bell argued that the driving force in capitalist development was no longer physical capital, but human capital in the form of scientific knowledge. An increasing proportion of value added now came, he argued, not from the use of energy to manipulate matter, but from ideas. As a result, social power was shifting from the controllers of physical capital to scientists, from banks to universities. In particular, information workers had power because, unlike the physical inputs of traditional labour, their minds could not be substituted by machines. Their embedded human capital could not be expropriated. Within this theory, ICTs are seen as the tools of scientific discovery and planning, which Bell saw as characteristic of the new system, in contrast to the notions of uncertainty and bounded rationality that now dominate much information society thinking. For our purposes, it is crucial to note that the core information workers are scientists, and creativity applies to the application of thought and imagination that characterises all human labour, not just, or even most importantly, those who work in the cultural sector.

Schumpeterian Long-Waves and Innovation

The second major strand of thought feeding into the information society vision is Schumpeterian long-wave theory and the idea of technological innovation as the central driving force of capitalist growth (Schumpeter 1934, 1939). According to neo-classical equilibrium theory, the economy was driven towards an equilibrium distribution of scarce resources by price competition between capitals leading to optimum efficiency defined as the lowest cost outcome. Schumpeter argued that such a theory described a system that would reach a stable but stagnating state, as indeed appeared to be the case during the Depression when he was writing.

The problem was to account for long-period business cycles within the dynamic, long-term growth trend of capitalism. His answer was that capitalism progressed not through price competition, but through competition in innovation. Entrepreneurs created new products and processes, which created new markets. The very novelty of innovation meant that there was no competition. The incentive to innovate, in spite of the high risks stemming from the inherent uncertainty as to whether there would be demand for the innovation, came from the super profits that could be derived from a successful innovation in the period when it was in effect a monopoly. Microsoft and Bill Gates are good examples of such Schumpeterian returns to innovation. The general process matches well the high-tech and dot.com boom of the late 1990s.

It should be noted here for our purposes that the model of innovation, its risks and rewards maps well onto the cultural/creative industries, but in the general Schumpeterian vision that now underpins much national and European Union economic policy under the "information society" label focused on innovation, innovation systems and national competition for the comparative advantage that successful innovation supposedly creates, it is technological innovation that is the focus and it is entrepreneurs and technologists who are the "creative" drivers. ICTs are the new generation of products and process that are produced by this innovation process and driving a new long-wave of capitalist growth. I would want to argue that the shift to creative industries has been the attempt to capture the current prestige of this theory of innovation, and the very general concept of "creativity" that accompanies it, for a sector and a group of workers to whom it does not really apply. Even worse, in many cases, advocates of the creative industries approach wish to appropriate for themselves, as "artists", the attribute of creativity and exclude science and technology.

Information Economics and Theories of the Firm

The third strand is information economics and theories of markets and firms based upon it. Neo-classical theories of competitive markets were based upon the fiction of rational, fully knowledgeable participants such that welfare was maximised by balancing through the price system supply and demand. Information economists such as Arrow (Arrow 1979; Machlup 1980–1984) argued that, on the contrary, information was itself a scarce resource and markets were characterised by differential distributions of information.

This general information-based analysis of markets and market behaviour was closely linked to new theories of the firm and of management. To put the matter crudely, there was a shift from a Chandlerian theory of the industrial corporation as based upon the competitive success of the bureaucratic planning and management of large-scale processes in search of the returns to economies of scale to a Coasian theory of the firm as the creation of an internalised set of managed relationships designed to minimise the "transaction costs" the inherent uncertainty and associated information search costs in markets create (Chandler 1977; Coase 1952). Here the term "information" refers to the development of ICTs and business information services as tools of management. It was from this whole focus on the nature of the firm and transaction costs that much of the subsequent vogue for privatisation, outsourcing, delayering, downsizing, corporate re-engineering and the network firm has stemmed.

For our purposes, three key points need to be made. First, the relatively high levels of growth in the information sector that can be observed over the last two decades stem not from what we normally think of as media and culture (i.e., products and services for final consumers in their leisure time), but from business information services, which as investment costs and through their impact upon the production function and productivity, have a quite different relationship to the structure and dynamics of the general economy from that of general consumer media. Second, the more culture-laden management discourse (what Nigel Thrift (1999) has labelled "the cultural circuit of capitalism" – the attempt to shift from a uncreative bureaucratic management style driven by adherence to corporate rules of procedure to a more creative entrepreneurial style) was an example not of culture (in the narrow, arts and media, sense) becoming more important, but a general response to the uncertainty of the supposed increased volatility of the market environment within which corporations worked. Third, the key information workers in this vision were neither scientists nor technologists nor the producers of information services, but managers and those information specialists who serviced them – lawyers, accountants, management consultants of all types.

The Service Economy and Post-Fordism

The fourth and perhaps the most important source of information society thinking was the theory of the service economy. It is a well-attested fact that as capitalist industrial economies have developed, there has been a progressive and continuing shift from manufacturing to services as the dominant sector of the economy, in terms of both labour employed and value added. This process is also sometimes seen as one of de-industrialisation. Economically, this has been seen as presenting two major problems. First, because services employ and sell human capital directly – services are human-to-human interactions – they exhibit all the characteristics which, as we have seen with culture, make them difficult if not impossible to commodify and thus lead to market failures. They have therefore classically been increasingly supplied by public authorities under non-market conditions or have been highly regulated.

Second, because they are not subject to capital-intensive machine/human substitution, they exhibit low to zero productivity growth. Thus as their weight within the economy has grown, they have been seen as leading to declining rates of productivity growth. ICTs were then seen as the solution to the productivity dilemma by mechanising such information work. The computer was seen as the steam engine or electric motor of the service sector. Such a view still remains a major component of the information society vision and policies relating to it (e.g., e-government and e-education).

An influential version of this analysis of the shift in the nature and dynamics of capitalist economies was post-Fordism (Amin 1994). This school argued that an increasing proportion of consumption was no longer the satisfaction of basic material needs – food, clothing, shelter, and so on – but the satisfaction of immaterial needs. These immaterial needs were, it was argued, satisfied not just through the consumption of immaterial services, but also through the consumption of material goods. Motor cars, it was argued, were purchased not primarily to get from A to B but to satisfy dreams. What was being produced and purchased were status aspiration or what later became known as "lifestyle".

This analysis placed design and marketing at its centre within the context of an increasingly fragmented, volatile and competitive consumer market. Its immediate policy effect in the United Kingdom was to legitimise a general discourse of marketing and cultural products as just one of a range of niche lifestyle products or services. It also legitimised a certain discourse of de-industrialisation as a good and liberating thing; the growth of the cultural sector was seen as a beneficent substitute for the declining manufacturing sector. In its Thatcherite version, it legitimised the deregulation of cultural and media institutions and delegitimised any critique of advertising.

It also led to two important precursor initiatives to the creative industries turn. The first was a policy analysis that saw the failure of British manufacturing industry as a failure of design and attempted therefore to boost design training – for instance under Jocelyn Stevens' regime at the Royal College of Art. The second was the Cabinet Office Report *Making a Business of Information* (Cabinet Office 1983) which, for the first time within British government policy discourse, deployed the central information society arguments in response to the contemporary crisis of the British manufacturing sector and the associated balance of payments crisis. It argued that a key new global growth sector, and therefore new potential export industry for the United Kingdom, was electronic information. It put forward a range of policy initiatives to exploit what was seen as the United Kingdom's comparative advantage in the new global market for electronic information stemming from the English language and London's position as a key node both in financial services and the global telecommunications network.

These initiatives included, importantly, the original version of a broadband policy through the rapid expansion of the cable television network in the United Kingdom. This electronic information service sector policy was one of the key inputs into de-regulatory broadcasting and telecommunications policy with the Peacock Report (HMSO 1986) based on a model of broadcasting as publishing and on the deregulation and privatisation of British Telecom – in part in order to turn it into a national champion in the global telecommunications services market. One version of creative industries policy continues this emphasis on the link between the development of the content industries and the regulation of electronic networks. During this period, it was the publishing industry and the provision of high-value business information services, and firms such as Reed International, Reuters, Pergamon and British Telecom working closely with Her Majesty's Stationary Office and its databank of official statistics, that were the centre of policy attention. The international competition was seen not as Hollywood, but as Dow Jones, Elsevier and Bertelsmann.

Technologies of Freedom

The Technologies of Freedom school (Pool 1990) argued that the mass culture accompanying Fordism, and the rising relative real prices of cultural goods and services identified by Baumol (Baumol & Brown 1966), were due to the high costs of both production and distribution, which the ICT revolution radically reduced. According to this argument, the domination of cultural sectors by large oligopolistic organisations, whether in the private or public sector, was due to the high, capital-intensive costs of production and the scarcity, and therefore high cost, of distribution channels. It was then argued that new cheap recording and editing technologies in print, audio and audio-visual media, and cheap and abundant, multi-functional digital network capacity via cables, satellites and later fibre optics, were radically altering what economists call the "production function" in the cultural sector, undermining the oligopolies and their high-cost structures and thus, at the same time, the arguments for regulating them. ICTs were ushering in, it was argued, an era of cultural abundance and choice in which the original creator, rather than the mediating middle men, would be king (Tofler 1981; Odlyzko 2002). It is this vision that underpins the revolutionary hopes held out for the Internet and the incantatory reference to the digital in much cultural discourse.

This vision impacted on the cultural sector and cultural policy in two different and often contradictory ways. On the one hand, it supported the idea of the culture and communications sector as the new leading growth sector of the economy, driven, as historically such growth sectors have been, by radical improvements in function and reduction in costs. The problem, however, was that while distribution costs had in fact been radically reduced, the costs of producing the cultural goods and services carried over these new high-capacity networks had not. This then led to the argument, which is a central component of creative industry thinking both in the United Kingdom and the European Union, that the problem was shortage of product to fill the networks and meet what was assumed to be an unsatisfied demand. While it was network operators and equipment manufacturers who had made money in the first stage of this new growth wave, it would increasingly be content producers who would reap the rewards (OECD 1998). In terms of competition between national economies in a global market, it would be those who fostered their content-producing industries rather than those who controlled the technology who would capture market share and the resulting export earnings.

This argument was then combined with a technologies of freedom argument for plurality and the decline of large intermediating corporations and with a post-Fordist argument for niche markets to support deregulation, along with the bizarre proposal that the United Kingdom and Europe had comparative creative advantages *vis-a-vis* the United States because of their cultural heritage, a replay of Henry James in the age of the computer game.

At this point the policy argument led in two directions. On the one hand, it favoured the creation of large, corporate national champions who could compete with American and Japanese companies in global markets for content. On the other, it led to a deregulatory argument and a policy in favour of small-scale creative entrepreneurs. Large corporations, according to this argument, were defined as uncreative and bureaucratic, stifling the innovating energies of the "creative workers". This has led to particular contradictions in the field of intellectual property where the rights of large corporations have been extended on the grounds that only thus can the incentive to invest in new content be protected, as though it were protecting the rights of the original creators when in fact those rights and the returns from them are transferred under very unequal relations of contractual power from the original creator to the employing corporation. The current furore in the music industry over file-sharing is a good illustration of this contradiction.

Creative Industries Policy

We can now return to the nature and validity of the implicit claims being made by the mobilisation of the term "creative industries" and their policy impacts. These can be reduced to two: that the creative industries are the key new growth sector of the economy, both nationally and globally, and thus, against a background of manufacturing sector decline, they are the key source of future employment growth and export earnings. This general line of argument stemmed from the original *Making a Business of Information* report, but it was then linked to more general work on the competitiveness of the British economy and, inspired by the work of management gurus such as Michael Porter, it fed into statistical work on the export earnings and potential of the cultural industries (British Invisibles 1991) and into both Myerscough's (1988) study on *The Economic Importance of the Arts in Britain* and into the report by Gorham and Partners (1996) for the British Council entitled *Export Potential for the Cultural Industries*. It is from this strand of policy analysis that derives:

- The measurement of the creative industries in the "Creative Industries Mapping Document" (DCMS 2001) and the associated claims that they now represent the fastest sector of economic growth;

- the stress on the training of creative workers; and
- the stress on the protection of intellectual property.

This is the source of the view expressed in the Labour Party's *Create the Future* that the cultural industries "are vital to the creation of jobs and the growth of our economy. The creative and media industries world wide are growing rapidly – we must grasp the opportunities presented" (Labour Party 1997). Note the distinction made at this stage between creative and media industries. It is also the source of Chris Smith's claim (at the time, the responsible government minister) in his *Creative Britain* that "given the levels of growth already experienced in these fields, given the flow of changing technology and digitalisation, given our continuing ability to develop talented people, these creative areas are surely where many of the jobs and much of the wealth of the next century are going to come from" (Smith 1998, p. 25).

It is in justifying these claims and the policies that derive from them that the use of the term "creative" has been crucial. In the Mapping Document, the term "creative" was chosen so that the whole of the computer software sector could be included. Only on this basis was it possible to make the claims about size and growth stand up. However, this inclusion had two valuable policy consequences for the interests involved. It enabled software producers and the major publishing and media conglomerates to construct an alliance with cultural workers, and with small-scale cultural entrepreneurs, around a strengthening of copyright protection. The software industry was pushing for the contentious widening of intellectual property protection of software. The major media conglomerates wanted an extension of copyright protection and its reinforced policing. In all cases, this involved the undermining of existing public use provisions and also, according to some analysts, a break on innovation rather than its encouragement. It suited these interests to sell the extension of copyright as a defence of the interest of "creators" with all the moral prestige associated with the "creative artist". Whether recent intellectual property reforms in the Millennium Copyright Act in the United States or the Information Society Copyright Directive in the European Union do in fact foster creativity or protect the economic interest of artists is in fact highly dubious. (For a general review of these arguments that accepts the "creative industries" agenda, see Howkins 2001.)

This growth argument then fed into media policy. In film it was used to justify, now under the aegis of the Film Council, the setting up of Lottery-funded production consortia and the Film Council in pursuit of the age-old, repeatedly exposed but persistent delusion of British film policy – competing with the American majors. In broadcasting it led to the underlying logic of the 2003 Broadcasting Act and the creation of Ofcom – the need to open British broadcasting to international competition, consolidation and inward investment in order to compete in the global programme market.

The Artist as Creative Worker

The second consequence of the choice of the term "creative" and the inclusion of computer software in the definition of the "creative industries" was that it enabled the cultural sector to use arguments for the public support of the training of "creative workers" originally developed for the ICT industry. The original argument derived from so-called "endogenous growth" theory which attributed the relative international competitiveness of nations and industries to the institutional structures supporting innovation, part of which was the provision of suitably trained human capital. This was then translated into the claim that skill shortages in the ICT industries were a major drag on economic growth and relative competitiveness. Against this general policy background, the choice of the term "creative" enabled the cultural sector to claim that without public support there would be an inadequate supply of creative workers to ensure the United Kingdom's international competitiveness in the supposedly high-growth market for cultural products and services.

This whole argument has very wide policy implications because it increasingly drives education policy. While there may be something in the general human capital argument, the skill shortage argument, and still less the response of attempts at micro manpower planning through the public education and training system, has never made much sense even within the ICT field. That the American dominance in global media is the result of superior education or training or that the United Kingdom is short of "creative" workers bears no serious examination. Indeed the Gorham Report (Gorham and partners 1996) argues for an export push in part to mop up above-average levels of unemployment in the sector. At the general level of education policy there is an argument that the shift to the service sector – and this is supported by detailed labour market analyses of which types of jobs requiring which skills are growing – has meant not the growth in the requirement for high-tech skills, but for inter-human communication and relational skills and analyses of information of the type a humanistic, rather than technical scientific, education provides. However, this is not an argument, as the arts college lobby is now trying to construct it, for an expansion of or for special support for arts education and training on the grounds that its products alone are "creative" (for an expansion of this argument, see Garnham 2002).

Access, Excellence and Accountability

Current creative industries policy is presented as a break with the past in two senses. The renaming of the Department of National Heritage as the Department for Culture, Media and Sport is intended, on the one hand, to signal a shift of focus away from support for the "traditional" high arts, with their association with the protection of the values of some golden age, towards the creatively new (often associated with young, trendy and "cool"). On the other hand, the idea is to signify a shift of focus from the marginality of the Ministry of Fun to a serious concern with the central business of economic policy – a shift from circuses to bread. Within this broad shift, the four key themes of creative industries policy are presented as "access", "excellence", "education" and "economic value".

In my view, in the pursuit of these aims the shift from cultural to creative industries marks a return to an artist-centred, supply-side cultural support policy and away from that policy direction, which the use of the term "cultural industries" originally signalled, that focused on distribution and consumption (Garnham 2000). It is for that very reason that the arts lobby favours it.

The policy problems raised by this supply-side creative industries approach relate to deep-seated arts policy dilemmas. Should support be focused on producers or consumers? Is there a restricted range of cultural forms or activities that merit public subsidy and, if so, why? This question of a hierarchy of cultural forms and practices that merit public support, and of judgements of quality, other than those of popularity, is hidden in current policy discourse under the notoriously fluid term "excellence". The claim is made that current policy is focused on democratising culture by widening access or lowering barriers to the widest possible range of cultural experiences. And this widening of access applies not only to audiences, but also to the production side, thus allowing the maximum number of people to fulfil their creative potential. This is sometimes then linked to the human capital, international competitiveness argument.

This pursuit of excellence as a standard for public support under the creative industries banner continues to raise two key policy problems. First, if we reject the market test, which many hold to be the most rigorous test of excellence, how do we identify which artists or "creatives" to support? (Classically, with the Arts Council, this was left to peer review.) Second, how do we reconcile this with access if audiences fail to appreciate this creativity? It is striking that there is a clear contradiction at the heart of current policy between the stress on access and education and the emphasis on excellence and the "creative core". The key problem is that if we wish to place an emphasis on excellence and reject the simple test of popularity, we are left with the difficult problem of defining and measuring excellence (Selwood 2000). In fact we are left with the unavoidable conclusion that the term "excellence" within arts policy discourse can only be a code for exclusivity, for the hierarchy of forms and activities (where excellence is found) as opposed to the normal everyday cultural products produced by the cultural/creative industries and consumed by their paying publics. It is a debate with which those involved in broadcasting are familiar under the terms "quality" and "public service". A good current illustration of this is the attempt by Ofcom to arrive at a clear and measurable definition of "public service". I hate to say this, but it has been tried before and cannot be done. All current efforts are likely to result in is the transfer of the, necessarily arbitrary but conjunctural, political and cultural power to define public service, from broadcasters and their managers, especially the BBC, to Ofcom.

From one perspective, the claimed success of the creative industries might lead one to suppose that the problem of democratisation of access was on the way to solution. Such industries are driven by market imperatives to attract the widest possible range of consumers and precisely for that reason do not sustain a hierarchy of artistic forms and practices. Indeed their opponents criticise their cultural effects for exactly this reason; it has become known in popular journalistic parlance as "dumbing down". The desire not to give up on either traditional support for the artist or a hierarchy of quality is covered by the terms "creative" and "excellence".

In *Creative Britain*, the former Secretary of State for Culture, Media and Sport, Chris Smith (1998), stated that "access will be the corner stone of our cultural policy. Experience of the highest quality must be available to the widest possible audience." Yet the problem here is that quality and excellence are open to the market test of consumer preference and access is, by definition, not a problem, since a successful creative industry has solved the access problem through the market. If it is successful, why does it need public support? If it is unsuccessful, why does it merit public support? The shift in nomenclature from "cultural" to "creative" industries serves to disguise these policy dilemmas and contradictions. The claims on public funds are justified not in terms of arts policy, but in terms of information society policy. The supposed pay off is not widened access or even higher quality within the United Kingdom, but jobs and export earnings in a competitive global economy.

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