[Andy C. Pratt](#)
Cultural industries and public policy

Article (Accepted version)
(Refereed)

http://eprints.lse.ac.uk

CULTURAL INDUSTRIES AND PUBLIC POLICY: AN OXYMORON?

Andy C Pratt[*]

London School of Economics, England

[*] E-mail: a.c.pratt@lse.ac.uk

Cultural industries and public policy: an oxymoron?

Abstract: This paper re-imagines the space of the cultural industries and their governance. The paper is divided into three parts. In the first questions of definition are reviewed. In the second part the paper examines cultural policies (and by default cultural industries policies) in order to disclose the key concepts of culture that they are based upon. The final section, on governance, develops an argument that seeks to open up a space where the hybrid nature of cultural production can be addressed by policy*.*

Keywords: cultural industries, cultural industries policy, governance

INTRODUCTION

The cultural industries have undoubtedly attained considerable visibility and a degree of notoriety in recent years as a policy object, however they sit uneasily within the public policy framework. One reason for the ambivalent position that the cultural industries occupy is that they are commercially orientated and that they are commonly regarded as mass or low culture. Yet, they are situated under the umbrella of cultural policy, a perspective that has traditionally championed elite cultural forms funded from the public purse. This tension is compounded by a fiscal crisis and the decreasing legitimacy of the nation state as a provider of public goods. Moreover, the nature of the cultural industries (mainly for profit) has changed markedly in recent years, and it now exists in increasing tension with the cultural sector (mainly not for profit), the traditional object of cultural policy.

The net result, in the view of some commentators, is a reversal of cultural values and a submission to the market as the source of all value. The cultural industries have thus become an irritant to cultural policy makers for a number of reasons. First, the cultural industries embody and promote alternative aesthetics and market values. Second, some of the contributions of the cultural industries to society (and particularly the economy) can be measured in economic terms. Thus, for some the co-existence of the cultural industries with traditional cultural policy undermines the latter.

It may be argued that cultural policy has also become a problem for the cultural industries. From the perspective of the cultural industries, cultural policy more generally does not embody the tools or understanding of the processes that animate them aside from an aesthetic benchmark (which they are usually condemned for failing to meet). Moreover, the very 'stuff' of the cultural industries is commonly presented as something that is on one hand intrinsically anarchic and individualistic, a quality that defies planning or

management[1], let alone being an object of public policy; on the other hand, the cultural industries are viewed as commercial in their orientation and thus should not be deserving of public subsidy.

Such views, although heavily stereotyped, are expressed by protagonists, politicians and policy makers and disclose a number of assumptions and pre-conceptions. Set in these terms it is understandable that the cultural industries may be viewed as outwith the normal purview of public policy. Taxonomic problems relate to the ontological status of the cultural industries, as well as to the practicalities of information collection on new 'social objects'. The aim of this paper is to re-imagine the space of the cultural industries and their governance. Before we reach this stage a considerable amount of 'ground clearing' will be necessary in order to establish a robust foundation for these arguments. It is the objective here to question some of the assumptions about the cultural industries and policy to promote them, and in so doing open up some spaces within which questions about the governance (corporate and more generally) and public policy may be discussed. In so doing the paper seeks to open up a position that neither falls into the assumption that the cultural industries are wholly public or wholly private goods. Moreover, it seeks to consider the ways in which the cultural industries are governed through organisational forms, regulations and markets: some of which are primarily in the public sector, some of which are not.

The paper is divided into three parts. In the first questions of definition are reviewed. In the second part the paper examines cultural policies (and by default cultural industries policies) in order to uncover the key concepts of culture that they are based upon. The final section, on governance, develops an argument that seeks to open up a space where the tensions between the definition and understanding of the cultural industries, policy objectives and means of policy deliver can be resolved.

DEFINITIONAL QUESTIONS

The Cultural Industries

A basic problem with the development of policy for the cultural industries concerns the issue of definition. First, it is useful to put aside the cultural-creative industries debate. The term 'creative industries' is a political construct first deployed by the UK government in 1997 under a new Labour administration. The term 'cultural industries' had been used previously by Labour run Metropolitan councils to point to more or less the same activities. There was no explicit discussion of why the term changed, nor a statement of a comprehensive definition in distinction to the cultural industries (or any other term). A best estimate is that there were two reasons for the adoption of the term. First, a direct political one. The new Labour administration sought to position itself as politically centrist, one that was very keen to distance itself from what it regarded as electoral disadvantages, namely policies associated with 'old' labour. Specifically, policies associated with either the old Metropolitan councils, particularly those associated with the Greater London Council as with the cultural industries, were especially sensitive. Policies for the cultural industries had been pioneered by the metropolitan councils as one part of an industrial regeneration strategy, and in the case of London, as a political mobilisation strategy[2]. Thus, for new Labour, cultural industries policies were tainted with left-leaning 'old' Labour values. The party did position itself positively in support for the cultural industries, and Tony Blair made a number of key speeches prior to election to this effect(Harris 2003). Shortly after the election a new Department of National Heritage was re-branded the Department of Culture, Media and Sport. One of its first actions was to set up a 'Creative Industries Task Force' (CITF). Its first agenda item was to propose a working definition of the creative industries. The definition arrived at was 'Those activities that have their origin in individual creativity, skill and talent and which have a potential for wealth and job creation through the general exploitation of intellectual property'(DCMS 1998).

This definition relates to the other reason for the choice of the term 'creative industries'. As Garnham points out elsewhere in this special issue, there is a legacy first developed by the 1979-97 Conservative administrations for the

promotion of the 'information' or 'knowledge' economy. The specification of intellectual property in the definition, and the overall objective of 'recommend [ing] steps to maximize the impact of the UK creative industries at home and abroad' (DCMS 1998) underlines this. Despite the production of two 'Mapping Documents' (DCMS 1998; DCMS 2001) the CITF managed to produce little in the way of policy. However, the significance of the Mapping Documents cannot be overestimated: they opened a door to the Treasury funding and gained an economic respect for the sector that it had never had before as simply 'the arts lobby'[3]. A more subtle, but wider ranging, dimension of 'creativity' in Labour policy has been the call by a committee reviewing educational curricula across all school ages to promote creativity in order to prepare people to work in the knowledge economy (NACCCE 1999). Underpinning the knowledge society position is the idea is that with manufacturing in decline the UK has to use 'knowledge' to sustain its competitive advantage. Alongside the usual hi-technology, bio-technology, and pharmaceutical industries, the new star is believed to be 'the creative industries'.

In effect the UK initiative has sought to ringfence a number of commercial applications of culture and to exploit their intellectual property. It is for this reason that the creative industries focus is primarily on outputs and 'property rights'. Any discussion of production and manufacture is problematic for two reasons. First, this initiative is supposed to move beyond manufacture. Second, that manufacture, and arts and culture are figured as oppositional; this has been reflected in policy. Consequently, when the creative industries are articulated with the broader cultural field the dualisms of economic/private of the non-economic/public arts are re-established.

The formation of the creative industries adopted by the UK government is powerfully linked into a political programme[4]. However, the term is of little analytical value *per se*; it would be difficult to identify a non-creative industry or activity (Pratt 2004). Whilst the same point can be levelled at the cultural industries (which industry or activity cannot be described as having a cultural dimension) at least the cultural industries have a putative activity (such as film

making, or writing a book) to produce a 'cultural' object; the creative industries' object is creativity itself. It is for this reason that I prefer to use the term cultural industries.

Despite these linguistic acrobatics, the question of defining the field has not been addressed[5]. Commonly, the question asked is 'what is culture' or what is a 'cultural object'; then, experts decide what is, and is not, culture. There is widespread agreement of some aspects of this, for example, fine art, classical music, perhaps pop music, film, however, in inclusion of computer games, sport, or even tourism quickly divides opinion[6]. This is what I have termed elsewhere as the 'breadth' question(Pratt 2001). Necessarily, there is no universal definition as cultural formations are situated in spaces and times; the answer must be locally, culturally and politically defined. However, this is not the end of the investigation. A critical further dimension must be considered, the 'depth' issue. What the depth question relates to is which activities are necessary for a cultural output? If we take a theatre performance we need a text, actors, directors (all of whom need training and development), we need technicians, back and front of house staff, and a building to perform and rehearse in. There are positive interactions between all of these participants, and all rely on the others for the final outcome. Thus, logically, one needs to include these activities in the 'ensemble' of cultural production. This is essentially the notion behind what I have variously called the cultural production chain, circuit or web. This is more formally expressed in Box 1. Such a definition opens up a tension as suggested above as it included issues of manufacture and non-cultural occupations. The DCMS definition of the cultural sector has recently been re-defined and based upon this logic, the 'creative industries' remain an uneasy 'sub-grouping'(DCMS 2003).

INSERT BOX 1 HERE

The critical innovation of such a definitional and conceptual shift is significant. Whereas previously only 'cultural outputs' were considered (and prior to this indirect impacts (Pratt 2001); the new approach is concerned more with process and context. This brings into view a range of institutional structures

that sustain and enable continued cultural production: in effect, this constitutes a new visibility. Here, although the evidence is sparse, we can note the strikingly diverse institutional forms of, for example, the film industry, television, computer games, fine art, classical music, popular music, commercial theatre, public theatre, etc. The implication is two fold. First, a 'one size fits all' cultural industries strategy may be ineffective, and, second, that the cultural industries may differ from other industries, social or cultural activities. So, generic policies may not be ideal either. Moreover, it creates a more specific policy agenda, one that implies that a thorough understanding of cultural production is central(Pratt 2004). As I note below, these tensions are further amplified by the elision of policy objectives concerning instrumental and substantive policies for the cultural industries.

Cultural Industries Policies

It would be logical to develop cultural industries policies from the basis of a firm understanding of their object. However, as we have noted above, such an understanding of the object has been slow to emerge. First, this is due to conceptual confusion; second, the practical problems of collecting information; and third, political pragmatism. Thus far the dominant information collected has been of the employment and output variety; little systematic coverage exists of the more qualitative dimensions of organisation and institutional contexts or the production of cultural commodities. Moreover, precious little attention has been paid to the way that cultural production spans both public and private funding sources. As we will point out below, this hybrid nature of cultural production sits uneasily with the mono-culture and dualistic character of financing arrangements with respect to this domain.

The aim of this section is to not to review cultural industries policies *per se*, as they are very few and far between. Characteristically, they are subsumed under cultural policies more generally, or, they sit under the ideological umbrella of the cultural sector and thus share (often in an unacknowledged, nor directly addressed manner) the assumptions that commonly underpin the (usually publicly funded) arts and cultural sector. The objective is to explore

the existing frameworks for conceptualising and analysing cultural policy in general, and to explore the 'fit' with the cultural industries. As we will note, a central question concerning the conceptualisation of the cultural industries *vis a vis* cultural policy, and the empirical rate of change that the cultural industries are undergoing at any point in time which generates and increasing tension between the two domains. Beyond this there are a number of foundational questions concerning whether a fundamentally social, or economic, stance is taken; finally, what the relation cultural industries have to, and what conception is implied of, the state.

Dilemmas

A document produced for the Council of Europe (Matarasso &Landry 1999) aimed at policy makers represents the task of cultural policy making as similar to tightrope walking, requiring continual adjustment to preserve the 'elusive point of balance'[7]. Matarasso and Landry organise their discussion of the twenty-one dilemmas around five themes: frameworks, implementation, social development, economic development and management. Each group of issues is presented with an 11-point scale and a checklist. The objective is for policy-makers to resolve each point in turn. Without doubt this list is comprehensive and it provides a useful overview of the practical issues associated with cultural policy making (see Box 2).

This document is useful, but it does not provide the analytical tools to move toward a resolution of the tensions. First, the issue of a number of concepts of culture are glossed over; Matarasso and Landry do not address the differences between the cultural industries and the wider sector. As already noted in this paper there are good reasons for having a differentiation. Second, they assume a nation state that is (spatially and temporally) unchanging in its forms, underpinnings and legitimation.

INSERT BOX 2 HERE

CULTURAL DISCOURSES

The notion of culture constructed through a number of intersecting discourses that provide particular means of mobilising the notion and defining its object. These discourses are selectively emphasised to frame cultural (industries) policies. In this section I sketch out three discourses that are deployed in policy making.

Economic

The most widely discussed means of establishing a framework for analysis of the cultural sector, and one justification mobilised to support the case for public intervention, is by using an economic lens; specifically one configured by the atomistic assumptions of neo-classical economics[8]. Here the critical issue is whether the object of cultural policy is a public or private good. Such a distinction itself obscures historical preferences and *a priori* decisions to treat culture as if it were a public or private good (Throsby 2001).

If we put these concerns aside we can review the four, non-mutually exclusive, versions of the economic discourse of culture. First, by considering the trade of cultural commodities as if they were any other, and evaluating their direct or indirect impacts on the economy. Policy makers may seek to promote or channel investments if they are perceived to produce benefits (for either the cultural sector, or those that it benefits) in excess of the administrative costs. An extension of this logic will sustain a support for the cultural activities if they produce social or political benefits; commonly deployed examples range from social inclusion and regeneration, export earnings or national and personal identity.

Second, there are rational choice, or preference, approaches. These focus on voter behaviour and argue that government policy is justified if there is popular support for it. A variant of this is where the government seeks to sustain a higher purpose, moral values, through the limitation of public choices (via censorship for example), despite their preferences.

The third area is that of public goods; that is a good that if consumed by one can be consumed by all others for no extra cost. Notionally, a free to air radio broadcast is of such character. It can be argued that no individual is likely to provide such a service, and thus it is logical to provide it collectively. A variant of this model is that of 'merit goods'; that is public goods that the government sees some benefit in promoting but for which there is no current demand from the public.

A fourth area in a sense extends the third and in part accounts for, and seeks to respond to, why the public do not see value in 'meritorious goods'. The first example of this might be education; the development of specific tastes will create 'markets' for particular goods. A second example is those activities that suffer from a 'cost disease'; namely that they have a fixed labour requirement which will cause price inflation as wages rise, and therefore become more expensive. Live classical music and theatre are often placed in such a category. So, in both cases a subsidy for goods, and their production might be justified. The whole issue again revolves around a question of what is of 'value', and obscures how such decision-making takes place.

It is on the basis of these four broad criteria that state intervention has been justified within economic discourse. Whilst they point to a role of the state they do not necessarily disclose the nature of that policy implementation, or, precisely its object.

Ideological/Political

The second discursive position taken to frame culture in an ideological field; this is perhaps the oldest established position. Very broadly, it has three faces: humanist, aesthetic and nationalist. The first, humanist, broadly articulates the position that (the correct) culture is uplifting and civilising, adding the notion of humanity and elevating the human spirit. In short, to understand and articulate culture it is an essential part of becoming and perfecting ourselves as human beings. The second, the aesthetic, concerns the aspiration to perfectibility, that the creation and appreciation of 'great art' will draw the subject closer to transcendent values. Those advocating this

viewpoint commonly express notions such as the equivalence and the absolute nature of categories like 'truth and beauty'.

Finally, the articulation of cultural particularism to the notion of cultural achievement. This is commonly expressed through an articulation of particular artefacts to the nation state and national identity. Discussions of nation state building by writers such as Anderson (1991) and Hobsbawm and Ranger (1992) highlight the role of cultural activities such as the invention of traditions and the construction of imagined communities in this process[9]. Thus the development of equivalences between art and the nation state lead to notions of identity being bound up with particular art forms[10]. One consequence of this process is the appropriation of particular pieces of art with a nation state identity. The recent case of the use of UK National Lottery funds to 'save' Raphael's *Madonna and the pinks* 'for the nation' is illustrative[11].

Critically, all three positions rely upon an acceptance of particular hierarchical authority and expertise systems to legislate on priorities and 'what is best'. This places them in opposition to the market in that whilst it expresses one form of popular support it does not impinge upon 'absolute values' (see also the note on 'merit goods' above).

Social

The question of where culture is 'located' is clearly a vexing one. The ideological and political dimensions are suggested above, and we can see extensions in the work of outreach arms of the state, for example the British Council or even CIA in the case of the US (see Stonor Saunders 1999). An alternate inflection of the ideological role of the state is to view cultural policy as an arm of welfare policy. This may at first sight seem a strange juxtaposition; however, if we view it as a mode of managing and positioning policy it fits quite well. Take the core principles of excellence and principle of free 'service' at the point access that fit both health and common concepts of cultural 'rights'. Such a formulation has considerable analytic benefit through making the role of the state integral, rather than as an 'addition'.

Generally, this formulation has been all but ignored in the literature. The social welfare formulation takes as its starting point an institutional or evolutionary conception of economics as opposed to neo-classical economics; immediately shifting the debate from its economic manifestation. A very provoking analysis is outlined by (Toepler &Zimmer 2002) who take Esping-Andersen's (1990) seminal analysis of European welfare systems as a template for cultural policy.

In this paper they, following Andersen, seek out the social and political institutional formations and trajectories. Here they capitalize on one of Esping-Andersen's strengths, showing the diversity of state forms that deliver quite different outcomes for the nominally same input. Their paper is illuminating in that it breaks with the universalism, with regard to the state, of much cultural policy discourse, especially that of the neo-classicists. They highlight the different families of policy-making based upon a palette of assumptions and social forms found in (groups of) different nation-states.

Another innovative dimension pointed up is the admission to the conceptual possibility of commodification and de-commodification. Traditionally, perspectives polarise the two (as in state or market). It is suggestive of a continuum, or hybrid, of public and private support of policy (the mix of public and private found elsewhere in the welfare system of most counties: for example, health and education). There is not space here to discuss this at length. However, it is worth noting that this approach is the only one that takes the contextual formation of policy making and implementation seriously.

Whilst this approach has much to recommend in terms of the institutional texture of cultural policy, it does not delve into the issue of definitions of culture: one could re-draw the 'families of policy'[12] based upon different concepts. As such, they in effect, work with, rather than question, the assumption that culture is a public good, and as such it is an accepted object of state policy. Thus far policy makers do not seem to have drawn upon these insights. Whilst this approach does focus institutional forms, less attention is paid to organisation forms and styles. Clearly relevant here are the

interesting, but conceptually dislocated, debates about decentralisation of policy making (Kawashima 1997; Everitt 1999). Second, it pays not attention to the particular institutional forms of the private sector, and specifically of the cultural industries. Third, there seems limited space for quasi-public and partnership forms. There is considerable evidence of 'arms length' and 'regulatory control' becoming core tools of government with a 'light touch'. Essentially, this is an issue of engaging with change: the changing form of state governance, and of corporate governance: and, the relations between the two and the position of civil society. These issues are picked up in the final section of the paper.

GOVERNANCE

Whilst it may help to create a neat analytical distinction between different discourses of culture that are mobilised in policy making, as we noted above, practitioners tend to draw upon a mixture of rationales. The positions set out above do help to account for the different lenses through which culture can be viewed. These formulations seek to position us on one or other of the market-state-ideological boxes. This section seeks to address this very problem by shifting the focus to the ways in which objects can be governed.

So far I have discussed some concepts of culture and the policy objectives that underpin them. I have already shown that the concepts and practice of cultural activity are subject to change, a process that has been exacerbated through the industrial and mass production of cultural artefacts. I think that it would be fair to say that we have currently reached a point of crisis in many nation states and regions regarding cultural policies. Commonly accepted definitions of culture have both widened and deepened. Consequentially, the impact of cultural activities is felt more widely throughout society.

Whereas, in the past, it seemed possible to base policy on aesthetic judgements; now, we have for many years had the challenge of political judgements, and more recently those of economic judgements[13]. Consequentially, the current challenge would seem to be one of creating a frame of reference within which all of these elements can be considered.

A traditional perspective on this issue would begin with the alternatives of state intervention and free markets. However, the concept that I want to develop is more nuanced than this, it attempts to capture the quality of the intervention. In this way we can develop ideas about how culture is defined, and what can be regulated and controlled, and on which terms. It is for this reason that I prefer the term 'governance' rather than 'policy' as it encompasses policy, the definition of artefacts and their production, as well as the legitimisation and implementation of policy.

There are many different interpretations of the notion of governance; the one this paper draws upon is that discussed by Jessop (1998; 2000). Jessop (1998) makes the distinction between the institutions and agencies charged with governing (government), and the modes and manner of governing (governance). The latter he defines as the co-ordination of different institutional orders (such as economic, political, legal, scientific, or educational systems) each of which has its own complex operational logic such that it is impossible to exercise effective control of its development from outside that system. This notion has very strong resonances with the type of problems that we have noted above with respect to the cultural sector in general, and the cultural industries in particular (see for example Grabher 2001).

Beyond this Jessop argues that the modes of co-ordination are various, as well as temporally and spatially embedded. He writes that markets, states and government all fail; but that the alternative of substituting one institution with another, which he says is a common response, is not the only one possible. Jessop claims that he is not suggesting a 'third way'; rather seeking 'new balance points' (see also Hirst 1994). Historically, he points to the example of the shift of economic governance from Fordism to Post-Fordism that has required new forms of co-ordination. Less deterministically, he also argues that the relative changes of states, markets and societies cannot be simply managed with one overall structure. Jessop's point is that traditional institutional responses (by states, markets and governments) have tended to

fall into two modes: the anarchy of the market, or organisational hierarchies (the state); beyond these he offers self-organisation (heterarchy).

The Possible Spaces Of Cultural Governance

To think only of markets or states as the only possible spaces of solution to complex problems is, in Jessop's view, to be trapped within traditional dualisms and patterns of failure of governance. The current tensions both within cultural industries policies, and between cultural policy and cultural industries policy, and between other domains are illustrative of this impasse in the cultural field (see Craik, McAllister et al. 2003 for example). If we now articulate the three discourses of culture with Jessop's three forms of governance we can sketch out a fully articulated field of cultural industries policy making which focuses debate on appropriate tensions *and* their means of resolution. Debates about ownership and control are central to questions of cultural industries practice; in Jessop's schema ownership is elided with control, arguably in a manner that is too assumptive of a particular rationality. Setting this aside Figure 1 is a representation of the field. In the spirit of a provocative thought experiment one can range over the field. This is illustrated next where I map on some more familiar positions of cultural policy. The objective here is not to be exhaustive, rather to illustrate the other possibilities that have not been explored.

INSERT FIGURE 1 HERE

Starting from top left, cells 1 and 2, we can perhaps find the space for a form of governance that equates with *Nationalisation* or national ownership. It has been a common form of economic governance, but one now rejected by most governments. It is based upon state (or common) ownership of property.

16

Moving right, cells 2 and 3, is the indicative space of the various policies of national *Protectionism*. These are in part economic, but rooted in strategic protection of the nation state. Again, this form of regulation has been historically used in the economic sphere, but also I think that it is the one that could characterise much fine art policy. For example the building of strategic collections of national art, saving 'national art treasures' for export, or simply strategic collections for national museums to maintain their international audience.

Bottom left, cells 7 and 8, best characterise *Privatisation*. Note, this is not 'no policy' option as it is commonly presented; it is the particular application of a form of market regulation and market values. We are familiar with variants of this form of activity in the last 20 years in many spheres of activity. As should be clear, it does not equate with 'no government'. In most nation states this is the mode of governance that characterises popular music, much film, and increasingly television, as well as computer games, and multimedia.

Finally, cells 8 and 9, is a sphere that has remained relatively neglected until recently, however, it is in many respects the most interesting. In some areas of economic activity it is being used. What it comprises of essentially is a rich social organisation of forms of exchange: what can be termed *Sectoral Governance*. It is premised upon a strong social and political mobilisation, and hence, it is not surprising to find that it is most common at a local level. For brevity we can point to the forms of social governance that are found in Denmark and in the Northern Italian industrial districts, as well as some of those in Southern Germany (see Cooke &Morgan 1998).

Clearly, there are many other possibilities, only a few of which have been explored by policy makers. On Jessop's prompting it is useful to consider the row of cells 4-6 as they represent an untried possibility. Interestingly, many commentators have suggested that this form of governance characterises the cultural industries (see Grabher 2001; Pratt 2004) and prompts the question of the importance of striving for an organisational isomorphism between 'policies' and 'practices'.

Imagining New Spaces Of Governance Of The Cultural Industries

Rather than providing a summary of the argument already laid out, in this concluding section I want to offer an initial exploration of one set of new spaces of the governance of the cultural industries. Heterarchical governance offers a potential key with which to unlock the totality of interaction, finding strengths and weaknesses in the organisation of production and its governance (see Pratt 1997; Jeffcutt &Pratt 2002; Pratt 2004). Here, I want to suggest that it is useful to extend the notion of governance beyond that which the state *and the* market seek to control. This seems implicit in Jessop's concept of governance but the specific tensions between corporate and entrepreneurial forms, or social and economic forms (profit and not-for-profit) are not highlighted. This issue is a challenge that is presented by the cultural industries.

If cultural policy is not to become obsolete, or irrelevant, it has to be drawn into a new conception of governance that acknowledges the existence of the market, but is actively involved in the shaping of that market. Moreover, it should also involve the discussion of what the market is failing to do, and what can be done by other means. The key point, represented by cell 6, in Figure 1, is the need for a more open and democratic form of decision making over investment priorities. This will logically figure a radical shift away from a simple focus on subsidy, to a more broadly based support for culture, as well as a more fiercely debated one. This obviously throws up a huge new agenda for debate. Imagining such a new agenda will entail some significant challenges to the form of policy making.

First, institutions shaped and developed for traditional arts policies may not be appropriate for the cultural industries or new policy more generally; it may well involve working across traditional departments of government, as well as between levels of government, as well as across the boundaries of government, civil society and commerce.

Second, and related, the nature of expertise required by policy makers is likely to be quite different. Instead of simply acting as arbiters of taste and

value, policy makers are more likely to be involved in strategic and longer term questions about the development of cultural forms, and cultural participation, as well as the developing relationships between 'pure' cultural forms and 'applied' forms. All of those involved in the governance process will need to develop a deeper understanding of the nature of organisation of the production and reproduction of cultural activities. This will involve gaining an insight into the role of institutions and networks in training, and innovation, as well as in the execution and display of cultural artefacts. Given the huge problems involved in making a most rudimentary quantitative survey of the creative industries, this task is likely to be particularly challenging. However, effective debates about governance are unlikely to develop unless a rich and deep understanding of the processes to be governed is elaborated.

Finally, a whole new infrastructure of public participation will need to be created if legitimacy for this activity is to be sustained. It is unlikely that such activity could be sustained at a national level unless it was firmly rooted at the local level, and inserted in all fields of cultural activity.

Box 1: The cultural production system (Depth definition)

i. *Content origination.* The generation of new ideas – usually authors, designers or composers – and the value derived from intellectual property rights;

ii. *Exchange.* The relationship to the audience or market place. This takes place through physical and virtual retail, via wholesalers and distributors, as well as in theatres, museums, libraries, galleries, historic buildings, sports facilities and other venues and locations;

iii. *Reproduction.* Most cultural industry products need to be mass-produced; examples include printing, music, broadcasting, production of designed materials and product;

iv. *Manufacturing inputs.* Ideas must be turned into products and prototypes using tools and materials; this might cover the production and supply of things as diverse as for example musical instruments, film or audio equipment or paint.

v. *Education and critique* (to cover both training and the discourse in critical ideas), and vi. *Archiving* (to include libraries and the 'memory' of cultural forms).

b. 'Breath'
Visual Art, Performance, Audio-Visual, Books and Press, and perhaps Sport and Health, and Heritage and Tourism

Source: (DCMS 2003; Pratt 2004)

Box 2: 21 Strategic dilemmas in cultural policy

1. Culture as the arts or culture as a way of life
2. Cultural democracy or democratisation of culture
3. Culture as self-justifying value or culture as development
4. Art as a public good or art as a conditional activity
5. Consultation or active participation
6. Direct control of insulation from the political process
7. Public or private
8. Prestige or community
9. National or international
10. Communities or community
11. Cultural diversity or monoculture
12. Heritage or contemporary
13. Visitors or residents
14. External image or internal reality
15. Subsidy or investment
16. Consumption or production
17. Centralisation or decentralisation
18. Direct provision or contracting-out
19. The arts or the artist
20. Infrastructure or activity
21. Artists or managers

Source: (Matarasso &Landry 1999)

1	2	3	*Hierarchy*
4	5	6	*Heterarchy*
7	8	9	*Market*
Economic	*Ideological/ Political*	*Social*	⇑ *Governance* ⇐ *Cultural discourse*

Figure 1: The field of cultural policy making

Captions

Figure 1: The field of cultural policy making

Box 1: The cultural production system (Depth definition)

Box 2: 21 Strategic dilemmas in cultural policy

Works cited

Adorno, T.W. (1991) 'Culture and Administration', in *The Culture Industry: Selected Essays in Mass Culture*, ed J.M. Bernstein, Routledge, London**,** pp. 107-131.

Anderson, B. (1991) *Imagined Communities: Reflections on the Origins and Spread of Nationalism*, Verso, London.

Cooke, P. & Morgan, K. (1998) *The Associational Economy : Firms, Regions, and Innovation*, Oxford University Press, Oxford and New York.

Craik, J., McAllister, L., et al. (2003) 'Paradoxes and contradictions in government approaches to contemporary cultural policy: An Australian perspective', *International Journal of Cultural Policy*, Vol. 9.1, pp. 17-33.

DCMS (1998) *Creative Industries Mapping Document*. Department of Culture, Media and Sport, UK, London.

DCMS (2001) *Creative Industries Mapping Document*. Department of Culture, Media and Sport, UK, London.

DCMS (2003) *Regional Data Framework for the Creative Industries: Final Technical Report for the Department of Culture, Media and Sport and the Regional Cultural Consortia*, Department of Culture, Media and Sport, London.

Esping-Andersen, G. (1990) *The Three Worlds of Welfare Capitalism*, Sage, London.

Everitt, A. (1999) *The Governance of Culture: Approaches to Integrated Cultural Planning and Policies*, Council of Europe Publishing, Strasbourg.

Grabher, G. (2001) 'Ecologies of creativity: The village, the group, and the heterarchic organisation of the British advertising industry', *Environment and Planning A*, Vol. 33.2, pp. 351-374.

Harris, J. (2003) *The Last Party: Britpop, Blair and the Demise of English Rock*, 4th Estate, London.

Hirst, P. (1994) *Associative Democracy: New Forms of Economic and Social Governance*, Polity, Cambridge.

Hobsbawm, E. & Ranger, T., eds (1992) *The Invention of Tradition*. Cambridge University Press, Cambridge.

Jeffcutt, P. & Pratt, A.C. (2002) 'Managing creativity in the cultural industries', *Creativity and Innovation Management*, Vol. 11.4, pp. 225-233.

Jessop, B. (1998) 'The rise of governance and the risks of failure: The case of economic development', *International Social Science Journal*, Vol. 50.155, pp. 29-45.

Jessop, B. (2000) 'Governance failure', in *The New Politics of British Local Governance*, ed G. Stoker, Macmillan, London**,** pp. pp.11-32.

Kawashima, N. (1997) 'Theorising decentralisation in cultural policy: Concepts, values and strategies', *European Journal of Cultural Policy*, Vol. 3.2, pp. 341-359.

Leonard, M. (1997) *Britain Tm: Renewing Our Identity*, Demos, London.

Matarasso, F. & Landry, C. (1999) *Balancing Act: Twenty-One Strategic Dilemmas in Cultural Policy*, Council of Europe Publishing, Strasbourg.

NACCCE (1999) *All Our Futures: Creativity, Culture and Education, Report of the National Advisory Committee on Creative and Cultural Education*, Department for Education and Employment, London.

Pratt, A.C. (1997) 'Production values: From cultural industries to the governance of culture', *Environment and Planning A*, Vol. 29.11, pp. 1911-1917.

Pratt, A.C. (2001) 'Understanding the cultural industries: Is more less?' *Culturelink*, Vol. 35, pp. 51-68.

Pratt, A.C. (2004a) 'Creative clusters: Towards the governance of the creative industries production system?' *Media International Australia*, Vol.112, pp. 50-66.

Pratt, A.C. (2004b) 'Mapping the cultural industries: Regionalization; the example of South East England', in *Cultural Industries and the Production of Culture*, ed D. Power & A.J. Scott, Routledge, London**,** pp. 19-36.

Stonor Saunders, F. (1999) *Who Paid the Piper? The C.I.A. And the Cultural Cold War*, Granta, London.

Throsby, D. (2001) *Economics and Culture*, Cambridge University Press, Cambridge.

Toepler, S. & Zimmer, A. (2002) 'Subsidising the arts: Government and the arts in Western Europe and the United States', in *Global Culture: Media, Arts, Policy and Globalisation*, ed D. Crane, Kawashima, N., and Kawasaki, K., Routledge, London**,** pp. 29-48.

Endnotes

[1] This is the source of the viewpoint that public policy and the cultural industries are an oxymoron; it also echoes a comment by Adorno (1991) regarding the tension between culture and bureaucracy.

[2] An industrial regeneration strategy was informed by the Alternative Economic Strategy which positioned Metropolitan councils as policy laboratories which sought to exemplify opposition and a future beyond the, then, ruling Conservative national administration.

[3] In an era of output indicator driven managerialism the deployment of indicators such as employment, output and export earnings were very potent.

[4] Accordingly, there are problems in exporting this concept to other political and institutional contexts.

[5] The CITF did define the creative industries: listing 13 industries in all.

[6] The debates about popular culture and its value articulated within the discipline of cultural studies sought to destabilise the old hierarchies. However, it is notable that this has always been a sensitive issue within Government. There is a commonly expressed unease within politicians and policy makers about the Department of Culture, Media and Sport being viewed as the 'Department of Fun'.

[7] The paper subsumes the cultural industries within cultural policy.

[8] This is the justification for culture to reside outside of economic calculation.

[9] Neil MacGregor, the director of the British Museum, notes that it was the first institution in Britain to bear the name 'British'; it was established by the Crown to be a showcase for the history of the world. The funding arrangements were through a blind trust; thus establishing the 'arms length principle' that characterises many national art policies. A potent example in the UK case of the linkage between art, culture and identity can be found in Leonard (1997).

[10] Recent World Trade Organisation debates have led to France, for example, seeking to deploy the 'cultural expectionalist' clause to defend its subsidy of the French film industry. This exceptionalist case need not apply to new art forms; in fact it is often deployed to defend 'old' cultures, or 'folk' cultural products.

[11] There is not space here to discuss the multiple issues of, for example, Raphael's non-British identity and the construction of a 'national' art gallery.

[12] Esping-Andersen allocates similar state and policy forms to 'families of states': hence, his three worlds (families) of welfare capitalism.

[13] Both of these are informed and exacerbated by the flows of migration (short term and long term) of peoples with different cultural heritages. This incipient cosmopolitanism creates a tension between mono-cultural policy and democracy. This is the mainspring of many debates about culture in a globalising world, and the tensions between homogeneity and heterogeneity.