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An Economic geography of the cultural industries

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Introducing the cultural industries

For the purposes of this chapter the cultural industries are: film, television, publishing, music, new media, computer games and animation, advertising, visual arts, architecture and design, the performing arts, and libraries and museums. As I will discuss below, such a definition is controversial. The study of the cultural industries is a relatively new one to social scientists. The field has been explored by researchers in Media and Communications Studies, and to a lesser extent Cultural Studies and Cultural Policy . Work from these disciplines has traditionally focused on the performance and reception of the cultural industries. The sub-field of Cultural Economics has sought to frame analyses within a more traditional economic discourse paying particular attention to the notion of merit goods . More recently another body of work, mainly based in the disciplines of Geography, Sociology, Management and Organisational Studies, has explored how cultural production is organised and located . This dizzying array of perspectives is now interweaving, making this field genuinely inter-disciplinary. Nevertheless, there is considerable value in an economic geographical perspective on this field. As I will point out in the next section of this chapter, it is important to clarify and delimit the boundaries of new topics and fields of interest so that everyone to be clear about what is, and what is not, being investigated. We often take definitions for granted. Take the example of the economic geography of the motor vehicle industry; here we know what motor vehicles are and it is not too problematic to explore the whole production process. First, it is a recognised and legitimate area of study, second, it has been studied for and long time, finally, statistical and qualitative analyses are readily available. However, the boundaries of industries constantly shift (see for example recent analyses of the car industry (Froud et al. 1998, 2002 some more than others), and, entirely new industries appear. Much of the early study of the cultural industries has been stymied by poor definition, and concomitantly, poor information The cultural industries, as a new object of analysis, present us with two problems. First, that they do not appear in conventional industrial taxonomies, in effect they are invisible to data collection. Second, conceptually, they have been associated with consumption and thus researchers have not been inclined to look for them in the sphere of production. These problems have shaped the recognition of, analysis of, and policies for, the cultural industries, as will be discussed later in this chapter,

Readers will be familiar with the potential role of technology in economic change . However, it will also be appreciated that technologies may not simply improve efficiency, but actually transform, or produce entirely new, activities. The cultural industries illustrate this argument well. They are 'new' industries that are developing and changing very quickly (which is itself a challenge to any definition). Take one example: music downloading . The music industry previously organised the process of selecting, recording and distributing an artist's output, and a proportion of the sales from records were returned to artists via royalty payments. With digital recording, artists can potentially bypass the record companies and deal direct with consumers. Also, it is possible to bypass payment via pirated downloads of MP3 files: the classic example being Napster. This new form of production and distribution has the potential to transform music making, its sale and distribution, and the final location of profits. As in the case of the music industry, such development has destabilised the current organisational norms.

Another example is computer games . Games are, in part, dependent on the development of computer technology. Initially developed for arcade slot machines, they were quickly developed for the home computer market. Without this platform they could not have existed. Computer games have been developed in ever more complex and compelling ways – at first all on proprietary platforms, and then cross platform. Games have multiple genres: shoot-em-up, role play, strategy, etc. In recent years games have been further enhanced through cross-overs with films and books. This cross-over may not only be narrative, but also character and 'look and feel' of the film/game. Computer games represent the emergence of something from nothing; by contrast, music downloading which built, for example, on music in different formats (CD, cassette, vinyl, or even sheet music). In their twenty year or so lifespan computer games have travelled the road from something that a teenager could compile in their bedroom and sell to friends in return for a little spending money to a major industry. In the US the computer games industry now grosses more than the film industry; in that country it represents one of the major export earners. Few industries can boast such a meteoric, and relatively unacknowledged, growth.

As will be appreciated, because of this growth, the cultural industries are having an impact on the economy more generally . The cultural industries have a particular interest for geographers as they have a distinctive spatial distribution: they tend to cluster in parts of cities, and, their distribution is dominated by a small number of cities in the world. This chapter outlines in four sections the recent development of the study of the cultural industries, the challenges that have shaped it, and what

the consequences of the growth and development of the cultural industries are. We begin by positioning the cultural industries within academic debates and discuss how they have been conceptualised. The second section is concerned with the problems of defining the cultural industries. In the third section we examine the range of secondary impacts, and in the fourth section we consider the primary impacts of the cultural industries under five headings: production process, the speed of circulation, intermediation, project based firms, and spatial clustering.

The conceptual location of the cultural industries

The study of the cultural industries has for the most part been overlooked by the social sciences, and economic geography is no exception in this regard. This is an irony as one of the key themes in recent debates has been the intersection of the social/cultural and the economic, the so-called cultural turn in economic geography. The cultural turn has led to more attention being paid to a range of non-economic theorising, mainly adapted from social theory. Additionally, it has tended to shift the focus of analyses away from production to consumption. Within such a shift one might have expected the cultural industries to be a paradigmatic empirical focus for analyses. The challenge for the analysis of the cultural industries is to 'locate' it within the right debate. Perhaps because of their novelty they have been commonly positioned as 'add-ons' to existing debates. However, as I will argue, they are worthy of study in their own right. In fact, I would argue that the study of the cultural industries – as an exemplar – might shed more light on these major debates. In the remainder of this section I will outline four narratives based on key binaries that have been commonly used to examine the cultural industries. Before this I want to begin by sketching in the background and context of the study of the cultural industries.

The cultural industries: the back story

The notion of the cultural industries is a contested one. There are a number of debates about policy and politics, and others about concepts and theories. To take the latter first, there are three main lines of thought. The term *culture industries* was coined by German writers Adorno and

Horkheimer in the 1930s. Associated with the Frankfurt School of critical theory, they sought to react to a mass society where they felt culture was becoming banal. For them, culture (and meaning) played an essential role in the enlightenment as an emancipatory force. The culture industries, they argued, removed this emancipatory potential. They also reacted against the culture industries extending the capitalist realm into leisure time. In the 1980s French writers, especially Miège, began to discuss the cultural industries. They pluralized them as, contra Adorno and Horkheimer, they saw the *cultural industries* as diverse and different from one another; moreover, they viewed the cultural industries as contradictory but not all bad. In the late 1990s there are two major inflections of the Miège line of thought. On one hand, work that prioritises the production of texts and how meaning is shaped by ownership and production. On the other hand, analyses that view the cultural industries *as industries* and seek to explore the particularities of their organisation across production, distribution and consumption.

Policy debates about the cultural industries can be linked to the work of UNESCO on communications inequalities; out of this came an influential report by Girard that sought to create a framework of measurement. This approach influenced both the Canadian and Australian governments to measure cultural industries. Borrowing on Miège's work, Garnham was influential in adapting notions of the cultural industries to industrial policy making in London, a notion that was also explored in other 'Old Labour' run metropolitan areas of the UK. Here the cultural industries were used in part as political mobilisation of the youth, and in part as contributions to job creation in the de-industrialised cities. With the election of a centrist 'New Labour' in 1997 the cultural industries were elevated as a national policy. However, due to their associations with 'Old Labour' they were re-branded the 'creative industries' thereby linking them to the 'knowledge economy'. The first UK 'mapping' document that sought to measure the economic impact of the 'creative industries' had a huge impact spawning a number of similar reports around the world.

Despite the popularity of counting employment and output it is debatable whether a depth of understanding of the creative/cultural industries has been achieved. There remain a number of problematic relationships that are not fully understood: public and private, formal and informal, production and consumption, arts and cultural industries; as well as the differences between the individual industries. Nevertheless, the policy juggernaut carries on, the latest concern being with 'cultural clusters'. As commentators have noted often these are sites of cultural consumption rather than production. Moreover, the objective of these and other cultural initiatives are instrumental: they seek to achieve social cohesion or urban regeneration rather than cultural excellence. In the following part of this section I explore the four binaries that have been used to examine the cultural industries.

Economization- Culturalization

The first debate hinges on the cultural-economy couplet. Authors have argued variously that producers have responded to falling levels of consumption by encouraging either multiple purchases of the same (but differently styled) item, or an interest in designer goods. Some authors have argued that this trend has become pervasive that most economic production, and transactions, is 'culturalized' in this way. Culture, or cultural makers and symbols, are used as a means of product differentiation which may also add to its (exchange) value. Thus, we might not just prefer to buy a plain tee-shirt but one that is styled or, one that is linked in to a cultural product such as a band or a film. In many markets producers may compete as much through a product's design as its function.

On the other hand there are those commentators that start from the other point of view and argue that culture has become more and more a means of economic transaction. As such cultural values are usurped by economic values. Thus, predominantly, cultural production is not a craft or artisanal activity, but it is one that has been transformed into a major industry whose market is dominated by monetary value, or sales, rather than intrinsic value. An example of this process are the ways in

which the consumption of music, films or books, is structured by 'charts' that are now syndicated in daily newspapers and on television shows.

Art and culture

The economization-culturalization argument is one that runs parallel to the views of the Frankfurt School . For this point of view the cultural experience is one gained through contact and interaction with an original: 'the aura'. Thus, mass production separated such contact leads to weaker and degraded forms of cultural communication. Thus, the strong negative cultural value applied to the 'culture industries'.

This debate has strong resonances with those who pit art against the cultural industries echoing the 'high-low' culture couplet. There is an easy elision here between commercial activities and low culture. The fact that 'low' culture sells, and that 'high' culture generally does not has caused governments to seek to support 'high' culture and 'the arts' ('high art' is intrinsically good). The arguments used to justify such support are two fold: either that without such support they would collapse under market failure, or elite idealism (sometimes universalised as humanism). In the both cases 'good' art must be subsidised for the enlightened public good (sometimes referred to as 'merit goods') . This is further exacerbated when historically the arts have been supported by the state (implicitly this constructs the cultural industries are self-sustaining and intrinsically not worthy of support or guidance, or as having cultural value). Thus, historically there is less awareness of the need for, and a lesser competence in, managing the cultural industries.

Cultural and creative

Recently, a challenge to the cultural industries has emerged from a second flank, that of creativity. Increasingly, developed economies have been enamoured by the potential of the 'knowledge economy' to boost productivity . The argument being that developed nations, with high educational investment, have a competitive advantage in knowledge assets (as opposed to manual labour), moreover, knowledge industries offer a new way of innovating and developing new products. It is claimed that 'creativity' is, more generally, a quality that can transform existing practices and products. Moreover, it is a quality that has not been traditionally valued in the educational system. So, creativity has become a 'must have' quality . The so-called creative industries are those that

deploy a concentration of such skills: in most part these are what were formerly known as the cultural industries . However, the weakness of the term 'creative industry' is that all industries are creative. Empirically, some writers have sought to identify certain occupations as 'creative'; however, this ignores the fact that creativity requires application. On its own a creative spark is just that; a sustainable creative flame requires a broader alliance of producers. The term cultural industry, as used in this chapter, has a more specific focus on the product and process as per other industries as they have been traditionally analysed.

Production and consumption

The culturalisation of production has led many to conceive of culture as an add-on, a spin, on the initial product. Commonly, this is viewed as occurring at the site of retailing: thus the analysis of the consumption experience. As such this draws upon a cultural studies concern with meaning and interpretation, and a radical concern with users and consumers (as opposed to producers). In part this broader debate has been positioned against an earlier political economic analysis of cultural production. This itself is deeply embedded in a political debate that the Birmingham Centre for Contemporary Cultural Studies (CCCS) dominated in the 1970s and 1980s. CCCS effectively created 'cultural studies' and were very influential in the character of political engagement with culture; and, a perceived failure at that time of sociology to engage with cultural policy or economic issues . This deep legacy has shaped the way that sociology and cultural studies, and cultural geography, has engaged with culture. Recently, there have been attempts to not only register consumption but to also re-engage with analyses of production, but at the same time seeking to avoid the over-determination of the economic .

Definitions

The analysis of any social object is only as good as the definition of it. Thus, it is worth paying it some attention; older or more mature technologies and practices are more adequately captured in our analytical frameworks. Accordingly, we can often pass over such definitional issues more quickly than we need to with the cultural industries. The analytic problem concerns both the decision about which empirical events should be included in the definition (the breadth), as well as the 'depth' or extent of related process and thus the conceptualisation of causality. For example we might decide that audio visual activities and performance are part of the cultural industries, but, is gambling, or sport? In terms of depth concepts we might propose actors and playwrights, but should we include lighting engineers, theatre lighting producers, or the front of house staff? In

practical terms the cultural industries have been a problematic category both in their conceptualisation and empirical measurement. Frustratingly, these problems are associated with their newness and the lack of knowledge that we have of them. Put simply, we can't define them, so we can't get their measure (quantitatively or qualitatively); to all intents and purposes they are analytically invisible.

One starting point is to conceptualise them as the processes that are required to produce products that are *primarily used* as cultural products. This definition allows us to avoid the pitfalls of the culturalization thesis that might define everything as cultural/symbolic. Analytically, a more useful position is that we might accept that cars, for example, have a cultural/symbolic *dimension*, but that they are primarily used for transport and as such define it accordingly. In practice researchers and policy makers have favoured the notion of a production chain to capture the process of cultural production (see Box 1). The 'chain' analogy is not meant to suggest a linear, or mono-causal process. In this sense a web might be a better notion. Examples of the data produced can be seen in Box 2. However, despite the attention grabbing nature of such measures they are only a starting point in understanding the cultural industries and their geographies (see below).

Box 1: concept of the cultural industries

Box 2: the cultural industries in the South East Region, and GB

Secondary impacts

Analyses of the secondary impacts of culture derive from a traditional economic frame of reference founded upon the assumption that one cannot value arts or culture, but one can evaluate a proxy: the activity generated around them. Thus, a commonly used technique is to calculate an economic multiplier, where the impact of generated secondary activities such as shopping, transport, and the rented hotel rooms are measured .

Such a viewpoint does give culture value, and does not equate cultural value with economic value directly. However, in so doing it actually overlooks, and may even undermine, the contribution of the cultural economy. This form of analysis can very easily lead to an instrumental conception of culture where the 'real value' for the city is the economic; so, new consumption spaces may be valued for the generation of outputs even though they might have precious little 'culture'. Whilst economic activity is indirectly generated by culture, the impact is claimed to be derived demand

from the 'real' activity of the economic base. This argument is a little harsh as it assumes that production is the source of all value and that consumption is the 'icing on the cake'. Cities are changing, manufacturing, and even retailing, has re-located leaving a 'hollowed out' city centre. Cities now struggle to justify themselves on the basis of their cultural offerings; arguably culture is the new economic base.

In a broader context, it has been argued that cities have increasingly used cultural activities to sustain shopping centres, theme parks and museums . Cultural activities have been used as the 'draw'. Redeveloped downtown and waterfront sites have been placed in competition both with other cities and with 'bland and faceless' out of town shopping centres. Of course, changes in retailing have meant that it is commonly the same outlets that dominate both inner and out of town sites. Thus, culturally themed shopping and master planned urban environments have been used to place cities in competition for consumers. In this sphere cities have sought to compete with one another, not simply for retail customers, but for mobile investment in manufacture and services: mainly for high-value, head office functions. The notion being that if cities are attractive to decision makers and staff that need to re-locate, then the relocation will be popular. Thus, urban competition for foreign direct investment has relied upon investments in iconic developments by international architects (the more controversial, the better). World cities have sustained a 'beauty pageant' based upon a range of high culture offerings (primarily building based) .

A recent version of the secondary, and consumption based, use of culture can be found in the notion of the 'creative class', developed by Richard Florida . This is a much heralded notion that cities can be ranked by their 'pull' on this key group of workers. Here a more informal but consumption based 'boho/creative' buzz is argued to attract software workers, which then attracts hi-tech companies. First, 'hi-tech' companies are believed to be high growth and high skill employers; thus they add disproportionately to economic growth. Second, as the competitive edge of such firms is based upon specific skills they increasingly need to locate where labour is. This brings us full circle to a 'creative themed' retail environment that will attract workers who will trail high growth employers behind them. In this sense the 'creative/cultural' effect is simply a 'theming' of consumption. This time, it is based upon a further differentiation between types of cultural experience . Florida's work in effect broadens the notion of cultural experience from one of high culture to lifestyle. Thus, instead of building executive homes and opera houses cities have sought to present their support for ethnic and sexual diversity and to develop funky lofts, bars and nightclubs.

A less well-publicised instrumental role for culture has been the amelioration of social problems . This strategy pre-dates the focus on consumption and looks instead to a humanist notion of art and culture and 'improving'. It is the justification for the establishment of the cultural as a handmaiden of social reform via education and particularly museums, galleries and libraries. The builders of the 'industrial city' heavily used such institutions; a good example is Victorian England where culture was used to divert the working classes from drinking and social disorder. So, again, whilst it was a building based strategy, it came with a (more explicit) social institutional order.

More recently, culture has been used directly and explicitly as a social tool to improve the life of the poorest members of cities; in this case the aim has been community building rather than transcendence . The UK pioneered such approaches in the late 1990s as part of a core initiative on social inclusion . Evidence exists attesting to the social and health benefits for cultural participation, effects that may also transfer into economic ones. Good examples are drama workshops that help to build confidence and improve candidates' self-esteem and their chances of getting a job. The central point here is that the objective is not to produce great art, but to build strong communities.

Without doubt cultural activities can play a role in leveraging other investment into cities and regions. In this frame of reference the demand is derived from other activities (the high-tech activities attracted), and thus the notion that cultural has an intrinsic value (economic and cultural) is overlooked. As writers such as Logan and Molotch have emphasised (albeit in the case of retail, although one could substitute the example of culture), cities may develop powerful governance regimes to favour, sustain and attract such development. Of course, all of this targeted investment that provides cultural facilities for a minority that is paid for by taxation of the whole population. In this sense the investment is socially regressive: it hits the poor disproportionately as they are likely to benefit less from it (through access or preference). We can add that as well as being derived demand such investment usually results in a zero-sum game. A gain of tourists, shoppers, or investment in one place is loss in another.

Finally, we should point to the wider uses of culture in reinforcing or creating national identity. Anderson's seminal text argues that imagined communities play a significant role in legitimating the nation state; imagined communities are communities of interest and shared values . National museums can help to legitimate colonial or imperial endeavours . Nation states have clearly used the broadcast media to sustain such activities be it conveying the 'American way' or French culture through filmmaking. Whilst is a topic beyond the scale of this paper it is refracted back on major cities as the location of 'national' cultural collections. It was argued by some that the establishment

of the Tate Modern helped to cement the Blairite New Labour vision for the UK in the late 1990s: young, cosmopolitan and modern . These versions of 'heritage' and 'identity' have been used to literally brand cities and to position them in an international tourist market. Policy makers now seek to attract 'cultural tourists' who seek out heritage and cultural experience . The key advantage of targeting this group is that they are generally rich.

Primary impacts

It is clear from the above that the uses of art and culture are manifold, but that the lay notion of 'culture as ornament' is dominant, albeit justified by its potential instrumental value. A logical gap exists: the consideration of art and culture in its own right. Arguably, the challenge to a proper consideration of art and culture has been an exclusive concern with its end product, or artists, rather than the process of its creation. As we have noted above, the common view point has been, to invert and paraphrase J.F.Kennedy's Berlin speech: 'ask not what you can do for culture, but what culture can do for you'.

A novel response to this problem has been developed in relation to the commercial cultural industries; that is to look at them as one would any other industry . Such an approach requires us to confront the idealist notion of 'creativity' and 'art' and explore them as ordinary activities. In this light sociologists of art and culture, and some economists, have explored the social and economic conditions of production and consumption . The broad notion here is that of the cultural field, or, the cultural production chain. This is simply a metaphor for the processes that are necessary to transform an idea into a cultural product. Interestingly, empirical analysis shows that the conceptual polarisation of economic-cultural, or public-private, is eroded in practice.

Process

Such an analysis will be necessarily quantitative *and* qualitative in character if it is to address issues of process and causality. However, the initial focus on measurement of the cultural industries is a pragmatic response to the reality of bargaining in the public policy sphere . In simple terms and argument for resource allocation deployed when faced with competition in terms of quantitative demands from other departments of government (such as health or education). In such a situation a claim for more resources on the basis that culture is 'good' is unlikely to hold sway. However, it would be wrong if *real politik* set the academic research agenda, such an agenda must be underpinned by explanation and the identification of causality. Whilst we might recognise that the cultural industries have an important economic dimension (as well as their social and cultural

ones), the mode of analysis that reduces everything to simple economic measures is necessarily partial. It is clear that we need to appreciate the complex nature and situatedness of the cultural industries. To approach such an objective it is necessary to go beyond the practices of mapping and explore processes.

At a macro-scale we can point to the fact that most cultural industries have a bifurcated structure: they tend to both the very big and the very small . So, in the music industry we have on one hand, the 'majors' such as Sony; and on the other hand individual bands. The whole music industry is dominated by just five companies. The multitude of 'labels' that we see on CDs are for the most part simply sub-divisions of the holding company. The majors also have ownership of other forms, print, video, television and film. There are two immediate possibilities here: first, the power of ownership and control that the majors have due to their oligopolistic position. There are issues of 'censorship' or limitation of output against the norms of the market; moreover, there is the question of the power of contract whereby majors can impose favourable conditions on new entrants. Second, the possibility of 're-purposing' intellectual property from one form to another ; a possibility that can be further enhanced by cross-marketing (for example promoting a song through a film). In extremis, like the classic trans-national company stereotype, companies can control almost every aspect of music making from production, distribution and consumption, as well as the context (television shows, charts and newspapers that are constructed to favour particular norms and forms). It is clear that we need a subtle eye to observe the interplay of cultural and organisational forms that constitute music production and consumption. Control is not total, alternatives are possible; and, at times new technologies can de-stabilise existing structures (for example, with the initial introduction of MP3 file sharing). Historically, we can note the tendency for the majors to let smaller players innovate and then subsume/ cherry-pick successful performers.

Risk, and the speed of circulation

A further structural characteristic of the cultural industries is one found in all production, fashion: here it is marked by a matter of degree. As many writers have pointed out the 'value' of cultural products extends beyond and functional level toward the symbolic one. Thus, within an economic context this meshes with the desire of companies to increase profits: commonly this is achieved via selling 'new products' to a defined market. Cultural goods allow one to not only constantly produce 'new' product, but also to sell multiple versions of what is essentially the same to the same market. In the former case we could take a music CD as emblematic of innovation (of course, as will be

clear there is also huge amount of work involved in sustaining the social and economic institutions that continue to constitute the 'album', or 'single', as a product form. There is not space to discuss this here). In the second case we can see why design has become so important: to create parallel markets for the 'same' product. One may buy another mobile phone because it looks good rather than for its functional qualities; or one may have a phone for different occasions. Put crudely, the phone manufacturer has been able to sell two or more products instead of one.

More generally, this is why fashion (the changing nature of aesthetic supply and demand) is so important to cultural goods markets (in both their economic and non-economic forms). Moreover, as analysts of production have long pointed out, the rate of circulation can be increased. In clothes fashion seasons now last only a matter of weeks rather than months.

A consequence of this trend reflects back on processes of production, namely by shrinking the temporal window of opportunity when a product can make the market place. Moreover, markets tend to have a 'winner-take-all' form. Here the music chart analogy helps. If you release a record at the breaking wave of a trend you may have a good chance of success if you have anticipated and conformed to the emergent market norm. As I have already noted the window is temporally small, and very precise in relation to product. If we add the fact that cultural products have a development lead time risks grow. An example from the computer games market illustrates. A game may cost £5m and two years to develop, involving 30-50 persons and lots of very expensive equipment. The target release date (usually pre-Christmas) must be hit. Moreover, on one hand, due to the market and distribution structure, if the game is not a hit (that is, entered the charts) within 15 days it does not secure a place on the retailers' shelf, it will not be distributed and thus it will not sell, nor is it likely to recoup its investment : this is a vicious circle that stresses the power of advertising and marketing in making a 'hit' or a 'miss'. On the other hand, if it is a success the initial investment may be repaid many times over. Under such conditions the nature of the look, feel and experience of products must be fine-tuned. Commonly this relates not only to 'creating markets' (via advertising, advertorials and general market information) but also to a subtle learning from users. Training shoe, and mobile telephone, designers (amongst others) now regularly employ social anthropologists as 'cool hunters' to 'learn from the street'. In other industries producers and designers seek to (physically) position themselves in the market so that they are party to this information.

Intermediation

It is not only the music industry that has the bifurcated form; one can point to television, to film, to computer games, architecture, and advertising for other examples. I am not suggesting that all of these forms are the same, or that they share common institutional structures, or are equally distributed internationally, nationally, or even regionally. There is considerable variation both within and between categories. Accordingly, whilst we can point to broad similarities, we need also to highlight differences. New research is beginning to elaborate on the nature and significance of these variations; however, much more work still needs to be done. A critical consequence of the organisational form outlined above is that co-ordination, or intermediation, is important. A common form is the agent, the matchmaker or broker, located between large and small organisations. It is common to refer to intermediaries in the context of the relations between production and consumption which is suggestive of a linear, uni-directional process; this is, I think, is a causal mis-identification. I would argue for production and consumption being a unified process and mediation spread likewise; a better metaphor would be a web. However, in causal terms the mode of mediation between organisational and ownership forms is more critical. These intermediaries have considerable potential to configure and re-configure relations within and across industries. Intermediation should neither be reduced to economic actors; it is also constituted through the legal and regulatory forms that are in place (commonly this will be the law of copyright and contract, and the collecting societies established to collect and distribute royalties).

Project form

At a smaller scale many researchers have pointed to the nature of work flow and micro-organisation that is commonly found in the cultural industries (and other industries). The project form is commonly discussed as an internal organisational strategy where work is organised in project specific teams, the project is defined by its limited life and termination. There is much discussion of why projects exist in terms of their efficiency or flexibility; moreover, the consequences for labour markets and learning. A less commonly remarked upon articulation of the project form is that which occurs outside of the 'large firm'.

This is perhaps best exemplified by the film industry where a nominal production company (maybe just producer and director) pitches for funding and distribution for a proposed film. On approval they 'grow' the company to many tens of persons; once the film is complete the company

'evaporates'. Such a form has more extreme consequences for those who work on projects (some may be 'extras', others very highly skilled cinematographers). The labour market for these workers has often been termed the 'boundaryless career'. Looked at from the social perspective it can be very difficult to survive in such a market. First, social insurance and banking services are less commonly geared to freelancers; second, work tends to go to those that are already working (based upon reputation). Career breaks, or simply not socialising, can be damaging – or fatal - to a career. Moreover, the rich social embeddedness lends to traditional patterns of discrimination on lines of age, class, gender, and race .

Grabher , has pointed to the spatial consequences of such labour markets; namely that they are very sensitive to place. More specifically, they are socially embedded and networked. In large and small companies there is a significant turnover of staff, in fact many have pointed to the innovative and learning benefits (tacit and theoretical) of such movement (to both firms and individuals). Such movement is only possible if home location can be relatively stable; this leads to the large metropolitan labour pool form being dominant. The rapid turnover and throughput of employees leads to a latent knowledge resource being in the 'network' (as opposed to any individual firm). As Pratt has shown, this is not simply a skills network, it is one of subtle market and design intelligence; one that is re-enforced through navigating the spaces of production and consumption, as well as work and leisure. It is these 'doubly-liminal' spaces that constitute 'cultural quarters' in some cities.

Clustering

It is hardly surprising that with the research focus on embeddedness, intermediation and tacit knowledge that the question of 'creative clusters' has arisen. There is a popular policy stress on the creation of (consumption) cultural quarters that it is hoped generate income from tourism, and maybe the attraction of investment . A second interpretation of creative clusters is a production based one. As noted above, researchers have noted the tendency for cultural producers to co-locate, and for there to be a range of social and cultural, as well as economic interactions between them. As also noted above, the cultural industries are not evenly distributed, but concentrated in a few cities.

The broadly institutional framework that many economic geographers, and those influenced by their work on the cultural industries, have adopted clashes with that of neo-classical analyses that are more commonly underpins policy making. Thus, there is a long running debate about the causes and processes of co-location, old and new industrial districts, and cost-minimisation, and interaction.

For neo-classical economists the same rule applies to all industries, so, what goes for the car industry should apply to cultural production. As noted above, the shortcoming of this is where industrial practices diverge from those expected in theory, as is the case of the cultural industries. Whilst still rooted in a neo-classical tradition the work of Michael Porter – who writes from the disciplinary position of business studies – has pointed to the value of clustering in terms of control and efficient management of the value chain. First, Porter looks at the incremental benefits of stages in the value chain, but not at the strategic control. Thus, his analysis is weak on power and the structuring of industries. Second, his abstract model uses the term cluster to refer to scales from the size of a city block all the way up to the size of a nation-state. Accordingly, his model is unable to specify non-traded relations, which are affected by scale and embeddedness. Critically, the application of Porter's work uses employment 'mass' and co-location as a proxy for clustering. Given that clusters are about interaction, this approach considerably weakens the argument. Nevertheless, Porter's 'cluster solution' to competitive advantage has been popular with national and city governments around the world. Thus, politicians are looking for a 'Porter cluster', and academics are offering insights into (non-(pure)economic interaction). In short, this is another example of the barrier that a cultural-economy dualism creates. Given the dominance of Porter's influence, it is not surprising that policy makers have looked to setting aside buildings, or quarters, of cities for the cultural industries. With the implicit idea that co-location will lead to interaction, and growth. However, institutional policies, that are unique to the cultural industries, or sub-industries, are now beginning to be examined as a basis of policy making.

Conclusions

The aim of this chapter has been to outline an economic geography of the cultural industries. A stumbling block in the way of such an aspiration concerns the definition of the cultural industries. The early development of research was undermined by competing definitions, in not small part limited by information availability, and compounded by the rapid transformation of the cultural industries themselves. If nothing else, this should remind researchers that definitions and concepts cannot be taken for granted. Often, we assume the world to be stable when, in fact, it is in flux in

both the empirical and conceptual realms. It also points up the common problem of the pragmatic trade off of available information, or data, and conceptual probity. In the end, solutions must be temporary, but held under revision.

Empirically, the cultural industries are a 'new' industry that has achieved some economic importance in some developed countries; and has become an aspiration in others. Moreover, cultural industries are not evenly distributed; they have a very distinct spatiality concentrated in a few cities, and (some parts of the production chain) grouped in 'clusters'. The social and cultural impact is clearly increasing, as is the consumption that generates it. The research reported on here highlights the blurring of the boundaries of production and consumption.

The study of the cultural industries may in some ways seem esoteric. However, it may have a number of wider resonances. First, the cultural industries surely provide us with a ready made and pertinent empirical case within which to explore the contemporary articulation of the cultural and the economic. Research findings point in the direction of hybridity, of thinking beyond dualisms, and, to paraphrase Latour, following practices and actions without fear or favour. Such iteration between empirical research and theoretical reflection should represent best practice for all economic geographers. Second, research on the cultural industries should cause readers to question where the social/cultural ends and the economic begins (and visa versa). In part there is a danger that the old dualisms of economic-cultural reproduce what have been at times unhelpful separation of sociology and the economics. Economic geography is ideally positioned to forge new insights here as the practices of social and economic life are embedded in time and space, and embodied through practices. Third, whilst a case has been made to privilege the cultural industries as exceptional we have to acknowledge that there are intra-class differences as well. This is not to suggest that every instance is different; but that there are a number of structuring practices, represented in research as organisations, institutions, networks and practices. Fundamentally, it raises the question of whether 'general' theories of 'the economy', or 'industry', are tenable. And/or, we could ask is this social-cultural embeddedness is unique to the 'touchy-feely' cultural sector, or if we looked elsewhere it might be found there too?

References

Guide to further reading

The study of the cultural industries is relatively youthful and as such is not well served by texts. However, a partial review but from from a geographical perspective can be found in Scott's work , and a more comprehensive overview, this time from a sociological point of view, in Hesmondhalgh (2002; 2nd edn. in press). The best economics based overview is to be found in Throsby , and an accountant's view in Vogel . A useful collection of interdisciplinary writing about the cultural industries can be found in Hartley's collection. Studies of employment in the cultural industries can be found in reports by various regional and national bodies (search on department of culture), and in my own work . Beyond this one might look for sector specific analyses on film, television, advertising, new media or even sport. Armed with an economic geographical perspective one can find many novel insights into these activities. Recent policy debates can be found in a special issue of International Journal of Cultural Policy, Vol 11 (1).

Box 1

Concept of the cultural industries

Within the creative industries, a simple, generalised production chain of four key links can be identified, as below.

S



imple creative industries production chain

Source: Adapted from Pratt, A.C.(1997) 'The cultural industries production system: a case study of employment change in Britain, 1984-91 ', Environment and Planning Vol A 27: 1953-74

Stage I refers to the various processes by which creative material and intellectual assets are originated and produced. This stage encompasses arguably the most visible activities of the sector – the creative fields of authoring (in all its forms from books to dance); design (from buildings to fashion); image-creation (from digital art, to photography and painting); music composition; and digital content origination such as multimedia titles, software packages and electronic games. It also covers activities such as the commissioning of content, the aggregation and packaging of content (e.g. by broadcasters), and the commercialisation of IPR by, for instance, record labels and book publishers.

Stage II of the production chain concerns the making of ‘one offs’, or prototypes, which may be reproduced later. It also relates to the production of specialist goods, materials and infrastructure used within the creative industries, such as artists’ materials (paints, canvasses, brushes etc.), film cameras, or the manufacture of musical instruments.

Stage III refers to the activities associated with channelling creative products and services into end-user markets. This relates primarily to the physical processes associated with reproduction and mass distribution (e.g. printing, CD replication, shipping and wholesaling etc.), but also to newer digital and analogue forms of distribution (from broadcast to digital delivery systems). Commonly, these two modes are integrated.

Stage IV refers to the exhibition function embodied both in venue-based activities such as concert halls, theatres and cinemas, as well as the retailing of certain creative products such as books, CDs and videos. In between these lie the informal sites of consumption and display that are important in the creative production system (‘the street’, or rather certain places where novel cultural consumption is visible)

Source: Pratt, A and Naylor, R (2003) *Winning customers: improving production chains in the creative industries*, Mayor’s Commission on the Creative Industries, London Development Agency, London

Box 2: Mapping the cultural industries London and South East England

Industrial class	London	South East
1 : Agriculture and fishing	4622	40688
2 : Energy and water	13915	19163
3 : Manufacturing	285840	432596
4 : Construction	130584	156292
5 : Distribution, hotels and restaurants	887840	944068
6 : Transport and communications	317924	242630
7 : Banking, finance and insurance, etc	1360242	836251
8 : Public administration, education & health	798585	810846
9 : Other services	261110	180951

Table 1: Employment in the major industrial classes in London and South East England, 2000

Source: Annual Business Enquiry (ONS 2003) Crown Copyright

CIPS	London	South East	England
Content Origination	397550	256165	1191557
Manufacturing Inputs	16569	37961	178301
Reproductive Activities	41290	28292	188053
Exchange	161489	158806	900039
All CIPS	705779	558643	2870345

Table 2: Employment in the cultural industries (divided by cultural industries production system function), London, South East and England, 2000

Source: Annual Business Enquiry (ONS 2003) Crown Copyright

CIPS	London	South East	England
Content Origination	33.8	39.9	26.6
Manufacturing Inputs	18.1	13.4	6.8
Reproductive Activities	1.9	-3.4	-3.3
Exchange	9.0	24.9	12.8
All CIPS	28.9	33.7	22.3

Table 3: Employment change (percent) in the cultural industries (divided by cultural industries production system function), London, South East and England, 1995-2000

Sources: Annual Business Enquiry; Census of Employment (ONS 2003) Crown Copyright

Source: Pratt A C, 2004b, "Mapping the cultural industries: Regionalization; the example of South East England" in *Cultural industries and the production of culture* D Power, A J Scott (Routledge, London) 19-36