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Mapping the cultural industries: regionalization; the example of south-east England

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MAPPING THE CULTURAL INDUSTRIES:

REGIONALISATION; THE EXAMPLE OF SOUTH EAST ENGLAND

ANDY C PRATT

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Source: LSE Design Unit

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Source: Annual Business Enquiry (ONS 2003) Crown Copyright

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Source: Annual Business Enquiry (ONS 2003) Crown Copyright

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

Introduction

The aim of this chapter is to follow attempts to both define and develop empirical measures that may act as an evidential base for policy making in the area of the cultural industries. Specifically, the chapter will focus on the shift from a national to a regional basis of cultural industries policy making. The first step in this process in the United Kingdom (UK) was the production of the ‘*Creative industries mapping document*’ (DCMS 1998). This document sought to use secondary sources to record the contribution of the cultural industries[i] to the whole UK economy. Remarkably, few states[ii] had thought of carrying out such an exercise before; and certainly none were prepared to publicize the outcomes so widely. The four headline statistics from this report were as follows: that the cultural industries employed close to 1.4 million persons, which represented five percent of the total UK workforce at the time; revenues from the cultural industries was in the excess of £60Bn; they contributed £7.5Bn to export earnings (excluding intellectual property); and value added (net of inputs) was £25Bn, which significantly was four percent of UK GDP, and in excess of any (traditional) manufacturing industry.

This reported success of the cultural industries was a surprise to both policy makers and the public for two interrelated reasons. First, data had not been systematically collected previously. Second, the cultural sector as a whole, and particularly its commercial element, is a relatively new one that has grown very quickly. Policy makers had overlooked the cultural industries because traditional business census classifications were insufficiently calibrated to identify them. It is only by significant data manipulation that the contribution of the sector can be separated out (see Pratt 1997).

The significance of this new analysis cannot be underestimated; for policy makers it is as if suddenly a

successful new industry has arrived from nowhere. Although the constituent industries (film, television, advertising, etc.) are widely recognized previously they have been seen either as part of the state supported sector, or viewed as somewhat peripheral to the 'real' economy (except in the United States of America, see Siwek 2002). The new data has shown this not to be the case. The UK report was widely circulated and it attracted a considerable amount of attention, many governments went to look at their own cultural sector, or, turned their attention to building, or attracting the cultural industries to their economies. Perhaps the most important element of the UK's promotion of its cultural industries was the recognition of the economic dimension of culture, this has led to a re-thinking of cultural policy. This economic image of the cultural sector contrasts sharply with traditional conceptualizations of cultural policy as either heritage management or as a humanist ideal. It is for these reasons that the UK has become a model of new cultural policy that picks a path between, for example, the dirigiste model of France, and the laissez-faire approach of the United States of America.

This focus of this chapter is to explore 'what happened next' to the cultural industries agenda in the UK. The simple answer is 'regionalization'. Despite the inclusion of 'mapping' in the title there are no maps in the UK report; moreover, there was no attempt to address regional or local variations, or to benchmark findings against those of other nation states. In the period since 2000 the UK government has begun a process of devolution and the creation of a form of regional governance. The second *Mapping Document* (DCMS 2001) acknowledged this concern albeit only with a cursory review of regional initiatives; but significantly, with no substantive data. This chapter plots the emergence of a regional cultural industries agenda; specifically, the problems of, and need to establish, meaningful regional datasets that might both make visible the regional status of the creative industries, as well as informing prospective policy. The chapter begins by sketching in the 'regionalization of culture' that has taken place in the UK since 2000. Second, it outlines the problems of, and some solutions to, the legitimization issue: the establishment of an evidential base for the creative industries. Finally, it provides

an illustration of regional cultural data analysis in South East England.

The regionalisation of the creative industries

A notable theme of the post-1997 Labour administration has been a reform of regional governance in the UK. On one hand the devolution of the nations (Scotland, Wales and Northern Ireland), and on the other, the empowerment of the English regions. In practice, this process has not been a simple or stress-free policy agenda; however, it is not the place to discuss these issues here (see Tomaney 1999; 2000).

The objective here is to locate the cultural industries agenda within this process; specifically, the challenge of how to 're-size' cultural industries policy from a national to a regional scale.

The eight English Regional Development were born in 1999. Each agency was required to develop a strategy with the overall objective of improving economic performance^[iii]. All Departments of government had to consider the regional dimensions of their activities. For some, such as the Department of Culture, Media and Sport (DCMS), this required some structural changes. The problem was that the DCMS has no proper regional structure, it works through the regional Government Offices, which pre-dated Regional Development Agencies, but it is Whitehall focused. The Arts Council, the traditional home of arts and cultural policy, is what is known in policy debates as an 'arms-length' body: it is directly funded by DCMS but its policy making function is independent. The Arts Council did have a regional structure, in the shape of the Regional Arts Boards. However, the relationship between the Arts Council and its regions was strained, first there was a perception in the regions of central control, and a metropolitan basis for funding allocation; the reorganization of the Arts Council, and the creation of the new Regional Arts Councils (2003) was an attempt to address these issues.

The problem for DCMS was how to step into this complex institutional matrix and to respond to both

the regional agenda and the growing tension between the Department's economic and cultural constituencies. This latter point had become salient as the cultural industries, with their commercial and economic profile, were considered by many in the arts establishment to be in opposition, in aim and purpose, to 'the arts'. In 2000 DCMS established Regional Cultural Consortia, the role of these new agencies was to work with Regional Arts Boards and the Regional Development Agencies to provide a 'joined up' approach to the delivery of cultural services.

The growing power of the Regional Development Agencies, and their economic agenda, quickly drew the Regional Cultural Consortia to focus their attentions on the cultural industries. In no small measure this was because the Regional Development Agencies were required to take into account regional cultural and tourism strategies. However, as there were no pre-existing strategies, they could not be taken into account. Regional Cultural Consortia were established as coordinating bodies, so they had no real resources to deploy. In the case of South East England the result was *The cultural cornerstone* (SECCI 2001); a very short, general, statement of cultural objectives. However, the growing power and influence of the Regional Development Agencies effectively made them the power brokers. Not surprisingly, Regional Cultural Consortia set about making their case relevant to the needs of the Regional Development Agencies; one means of doing this was to promote the cultural industries agenda.

As we have already noted, the cultural industries agenda had been projected into the limelight with the publication of the *Mapping Document*; it had been given a further boost in a Government report on business clusters (DTI 2000) which highlighted the role that cultural industry clusters may play in regional growth. The problem at the regional level for all parties concerned was that there was no regional data on the cultural industries. Thus, without data policy development and inclusion in the strategic policy process, a cultural industries agenda could not develop. The following section discusses

the practical steps taken to create a relevant evidence base.

Constructing an evidence base

The evolution of the new policy environment outlined above created a need for new data on the cultural industries; in turn, this required ever more ingenious ways for extract in relevant data from multiple sources; none of which was really appropriate for the task. Whilst the *Mapping Document* had created a new respect for cultural statistics the new regional data, which in many was more difficult to manipulate, threatened to undermine the legitimacy of the exercise. The regional agencies concerned readily recognized this problem and resorted to contracting the work out to a number of private consultancies. As each of the development agencies created their own regional mapping documents separately comparability also became an issue. In recognition of this fact, and the obvious need to co-ordinate the exercise a further group of consultants we commissioned to develop a *Regional Cultural Data Framework* (DCMS 2003) in order to create a template for all future regional cultural data collection.

Methods, concepts and definitions

Early attempts to measure the contribution of the cultural industries to economies deployed indirect, impact, or multiplier, analyses (see Pratt 2001). This approach seemed to support the notion that it was problematic to directly measure the value of cultural activities. The UK *Mapping Documents* draw upon a different tradition, one that seeks to measure direct effects. Researchers seeking to measure employment in the arts sector developed some early approaches. O'Brien and Fiest's (1995) work, for example, used a combination of occupational and industrial taxonomies to pinpoint only those cultural workers who actually worked in cultural industries; such an approach seeks to highlight only cultural

occupations and to ignore the institutional framework within which such work takes place. More recently systemic models of the cultural industries have been advocated that seek to capture the whole ‘production chain’ from inception to consumption. This holistic view seeks to recognize that cultural industries, as do all industries, rely upon, sustain and promote significant manufacturing, distribution and consumption activities. In practice the key difference between the ‘occupational’ and the ‘production chain’ models is that the latter include the range of allied and support activities that make cultural industry outputs possible.

Pratt’s (1997; Pratt and Naylor 2003) model of the cultural industries production system (CIPS) is an example of a production chain model to include the production system within which cultural goods are produced. It effectively deepens the definition of the creative industries. In the initial formulation four ‘moments’ in the cultural production system were identified:

- 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.

Later work, drawing upon proposals from the United Nations and the European Union (EU 2000), has suggested an extension of this concept to six moments by adding the following two: 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). Whilst this 6-phase model is conceptually more robust,

data availability constraints mean that it is impractical to use at the present time; however, it serves as an aspirational model of data collection.

The systemic model of cultural production has many similarities with models of innovation such as those described by Lundvall (1992) in that they offer a perspective on the embedded nature of cultural industrial production (see Jeffcutt and Pratt 2002), and point to the complex web of networks surrounding cultural production (see Grabher 2003). From a public policy perspective there is additional value in using a systemic model of the cultural industries in that potential points of policy intervention can be reviewed and assessed. The richer understanding of the production process offered opens up the possibilities of identifying strengths, weaknesses, opportunities and threats, as well as an assessment of the sustainability of those activities.

However, as indicated above, the operationalization of a systemic model of cultural production has a number of problems associated with it. The central issue concerns the dominant taxonomies of industries, the Standard Industrial Classification; this classification is used as a basis for all government data collection related to businesses whether it is employment, or output data^[iv]. In the UK the Standard Industrial Classification has a mixed logic: it is partially based upon a final product classification (mostly for manufacturing), and partially based upon an activity classification (mostly for services). Moreover, services are generally described in far less detail, and have fewer unique classification categories, than manufacturing, even though at the current time most economic activity and employment is concentrated in them^[v].

It is an unfortunate fact of life that contemporary industrial classifications are founded upon historic industrial structures; as a consequence the service sector, and the cultural sector, are poorly served tending to little more than a residual to manufacturing within such a framework (see Gershuny and Miles 1983, and Walker 1985). Such a taxonomy has both a powerful rhetorical effect of making these

service sector activities seem to be less significant than they actually are, as well as framing any data produced on the basis of them as poor and imprecise compared to manufacturing figures. This further undermines claims to legitimacy for these industries.

Moreover, there are two categories of industry that are overlooked altogether by the Standard Industrial Classification. First, we can consider the case of new industries. The latest modification of the classification in use in the UK is that of 1992; however, the growth of new media, for instance, can be dated from 1993[vi]. Second, specialist industries; a good example is the high fashion industry which the UK Government considers to be a cultural industry. In the absence of a 'code' for 'high' as opposed to 'high street' fashion it is almost impossible to differentiate this important activity. It is for these, and other similar, reasons that many innovative industries are overlooked in such classifications and measures.

It is for the above reasons that the researcher of the cultural industries has to work with pragmatism and ingenuity. A common strategy has been to carefully comb the industrial classification for activities (4-digit codes) that are wholly cultural and to re-combine them as 'the cultural sector'. This is the method that was adopted for the analysis presented in this chapter. Annex 1 shows the detailed activities selected, these are then re-grouped along the lines of Pratt's (1997) cultural industries production system into their four functions (as noted above).

The South East Example

This section outlines what a regional portrait of the cultural industries looks like, and offers some particular comments on the problems and issues that arise in constructing such a picture. The South East of England, along with all other English regions, was required to produce a regional strategy. The

South East Revised Economic Strategy was produced in 2002 with a 10-year time horizon (SEEDA 2002). In order to link with this vision the Regional Cultural Consortia commissioned a report to supplement its broad strategic view: an analysis of the impact of the creative industries in the region (DPA 2002). This analysis, part of which is reported on here, was based upon a desktop survey of reliable and comprehensive secondary data sources[vii] and supplemented by a number of strategic interviews. In this case an expanded definition of what was termed the ‘cultural industries sector’ was used (see Annex 1). The main difference from previous classifications is that aspects of sport and tourism are included in the definition.

Spatial units

The spatial unit that the South East Regional Development has responsibility for does not represent a logical division of social, political or economic space. Essentially, it forms a cordon that runs 270 degrees around London; but it does not include London (see Map 1). As has been extensively discussed elsewhere, there is a very strong case for conceiving of London and the ‘Rest of the South East’ (that is the South East planning region, and the counties of Hertfordshire and Essex which are part of the Eastern planning region) as one functional region (Simmie 1994). The logical case is that the whole of the South East corner of England functions as a travel to work area and an immediate economic hinterland for London. Accordingly, any analysis of activities that splits London from its region is likely to be problematic. However, the administrative and political reality is a fragmented economic space. The South East region has to both produce its plans, and look to itself as a region. The case for strategic co-ordination is further undermined due to a further disjuncture, namely that London did not produce its regional strategy until 2003; so, its plans could not be taken account of. The time lag of 3 years between the formation of the two agencies and the publication of their strategies[viii] was due to the election of a Mayor for London; only when this was achieved could the Greater London Authority and its development agency, the London Development Agency, begin their work.

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MAP 1 HERE

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The relationships between London and the South East region might be expected to be dependent in character, based on the assumption that London 'draws in' activities, notably labor and audiences. One might have the further expectation that the South East might be under-represented in the creative industries as a result of this 'neighbor' effect. Taking a step further, if the cultural industries followed an industrial logic one might expect the consequences of industrial restructuring in those industries to demonstrate 'sorting' of Content Origination activities to London, and Manufacturing Inputs to the outer South East region (where land prices and labor might be marginally lower). It is these issues, in addition to the general nature and dynamics of the cultural industries in the South East, which are explored in the analysis that follows.

An overview of the cultural industries sector

The headline figure that emerged from our analysis was that the South East's cultural industries employed 558,643 people in 2000. This figure positions it as one of the major components of the economy. As Table 1 shows, it is only exceeded by employment in Distribution, Hotels and Restaurants; Banking and Finance; and, Public Administration, Health and Education. Table 1 reinforces the point made above; that if the cultural sector were more statistically visible it might gain greater analytic attention than it has gained hereto. Table 2 shows that whilst the number of employees in the cultural sector in the South East is substantial, it is still dwarfed by that of its neighbor London (705,779). Overall, the South East employed 19 percent of the total cultural sector workforce in

England (if the South East and London employment totals are added together they account for 44 percent of the national cultural industries workforce). However, we might naturally expect a concentration of all economic activities in London and the South East; the UK is notoriously imbalanced in its economic activity. However, just 17 percent of all workers in England benefit from employment in the South East; showing that cultural activities are more concentrated. This point is further strengthened when we note that whilst 13 percent of all employees in England worked in the cultural sector; the figure for the South East comparing cultural employment with all employment was higher: 15 percent (17 percent in London).

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TABLE 1 HERE

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TABLE 2 HERE

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In common with the national picture, cultural businesses in the South East are characterized by a significant number of very small businesses and a handful of very large enterprises. The precise scale of these businesses is captured by the fact that 86 percent of Value Added Tax registered businesses and organizations turnover less than £500,000 per annum; it is quite likely that many other businesses fall beneath the Value Added Tax threshold (£56,000) and are not represented in these statistics^[ix]. Correspondingly, the average number of employees per enterprise, across the region is about 8 persons, and the average turnover of cultural businesses is approximately £900,000.

The cultural industries are traditionally viewed as industries that have a high proportion of employees in casual, irregular, or self-employment. This pattern contrasts with most other industries where such an employment pattern marks participants as marginal; in the cultural sector such patterns can signify core workers (see for example, Blair 2001, on the film industry). Compared with the UK as a whole where 22 percent of the cultural workforce is self-employed, in London self-employment is 34 percent. The South East has lower than the national average in self-employment, 19 percent of the total cultural workforce. It is not possible to isolate details of freelancing and short-term contracts from the sources available. At the other end of the spectrum from freelance and (serial) short-term contract workers are part-time workers. These workers do tend to be more marginal: 30 percent of the cultural workforce in the South East are part-timers; this is the second lowest proportion of all English regions (behind London: 21percent).

In summary, the picture is of a large number of people involved in an industry that is dominated by micro-enterprises with a small turnover. Furthermore, that the labor market has a large proportion of self-employed (freelance and contract) workers in it. Cultural businesses certainly might be considered as glamorous activities that attract high wages and the existence of a few superstars could skew earnings data significantly. On the other hand, given the domination of the sector by small enterprises and free lancers, it is perhaps surprising to find that, on average, full time weekly wages in the sector are 20 percent higher than the regional average for the whole workforce. Given general English regional disparities, especially in living costs, it is perhaps less surprising to learn that full time cultural workers in the South East earn 18 percent more than in other regions[x].

Perhaps another surprising element of the cultural sector is educational attainment. The received image might be, at best, one of craft workers with little formal education. Moreover, in general terms we normally expect that a small firm, self-employed, and freelance dominated workforce would not

register high levels of educational attainment. In fact, the real picture is quite the opposite, one of the characteristics of the cultural sector is the high level of qualifications held by the workforce, albeit not always the 'relevant' qualification for their current job. 30 percent of those working in the cultural sector hold a degree or equivalent, compared to 20 percent in the South East economy more generally.

Beyond these characteristics one vector stands out amongst all others: employment growth. Table 3 shows that in the period 1995-2000 employment growth in the cultural sector was 22 percent in England but a substantial 34 percent in the South East; a figure which eclipses even that of London at 29 percent. These data contrast with national figures on all employment growth for the period of 16 percent, and of 24 percent and 23 percent in the South East and London respectively: London and the South East grew at a significantly faster rate than all other regions.

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TABLE 3 HERE

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Whilst one might not have begun an analysis by looking at the South East separate from London, the findings reported here show that several unexpected things seem to be happening. The first and most obvious point is of both the size and growth of the cultural sector that is hinted at in the *Mapping Document*. Here we can note that not only is the growth impressive, but that it also outstrips that of much of the rest of the economy too. We might have expected London to have a major concentration of cultural sector activities; however, the data points to even greater concentrations occurring than in other sectors. It is clear that there is a strong regional level dynamic operating in the cultural sector. When one contrasts the experience of the South East and London there are some less expected findings. Cultural industries in the South East have been growing at a faster rate than those in London. In order

to tease out some potential explanations for this differential growth we turn next to an analysis based upon the functions of the cultural production system.

The Cultural industries production system perspective

By looking at the separate functions of cultural production a number of dynamics are pointed up. The first point, as can be seen in Table 2 (above), is that Content Origination accounts for a major part of employment in the sector, followed by Exchange activities. The national average in 2000 was 41 percent employed in Content Origination activities; 45 percent of cultural workers in the South East, and 56 percent of those in London are employed in this function. Moreover, as might be expected, the proportion of Manufacturing Inputs is higher in the South East (7 percent), compared with London (2 percent).

A second point concerns the dynamics of change. Table 3 highlights the fact that much of the positive growth in the cultural sector at the national level can be accounted for Content Origination. The South East replicates this pattern, but with exaggerated growth in all areas except Reproduction activities, where the decline is in line with national trends. London contrasts with the South East only in the fact that it registers positive growth in Reproduction Activities but a relatively low growth in Exchange functions.

Thus, within this pattern of growth, the South East has been forging ahead; far from being a laggard, or simply a 'back region' of support activities, it does seem as though dynamism in Content Origination activities is much in evidence. Reproduction Activities, the closest function to mass production in the cultural industries, are declining faster in the South East than in London. This raises another question; one that we cannot explore here, namely that 'supporting functions' may be driven to more peripheral regions, or abroad entirely. This issue would repay further investigation as it potentially throws into

doubt the notion that there may be strong inter-dependencies within the whole production system.

It is worthy of note that the other positive dynamic in cultural employment are Manufacturing Inputs, these activities show positive growth nationally, and far stronger in London and the South East. Given the massive across the board declines in manufacturing industry, especially the in the South East, this growth must be one of the few sectors of manufacturing experiencing growth. This is indicative evidence of the inter-related nature of Manufacture and Content Origination activities across the production system[xi].

Finally, we can illuminate some aspects of the value chain. Generally, such data is very difficult to collect. The best we can do here is to look at turnover data; ideally one would examine input-output data. Examining the turnover of firms (which is £47Bn for the cultural sector in the South East) and breaking them down by function, we can find supporting evidence for the employment findings reported above; namely that the value of cultural sector Manufacturing functions are robust, accounting for 36 percent of turnover, as is that of Content Origination which accounts for 37 percent of the turnover. This underlines the fact that cultural sector related Manufacturing activities, as measured here, are still important even in the cultural economy and it is allied to solid growth in Content Origination. Moreover, despite the fact that most of the Content Origination companies are very small, compared to the medium sized Manufacturers, they still produce a significant contribution to turnover for the sector.

Clusters

Some intra-regional dimensions of the cultural sector are considered in this section. An obvious and striking point is that employment in Exchange functions tends to be focused on the major areas of population. Additionally, and echoing broad patterns of economic activity in the South East there was a

focus of manufacturing activities in the East of the region. The South East's traditional engine of growth has been focused along the Western corridor of the M4 motorway (see Hall et al. 1987) and linked to the defense industry and technology orientated firms. In general terms the emergent focus of the cultural industries do not diverge significantly from the broad north-western sector of existing growth in the region.

All of the foregoing raises questions about the micro-spatial dimensions of cultural industries activities: clustering. One of the key characteristics of the cultural industries is the proclivity of firms and labor to cluster together (see Scott 2000). The secondary data sources that this chapter is based upon are all but exhausted prior to such a detailed level of analysis. Accordingly, it was supplemented with indicative interview and documentary research. This investigation highlights the existence and general character of a number of clusters of the cultural sector in the region. However, it is clearly something that can only be properly investigated through more intensive research. A well documented example of a regional cluster is that of 'motor sport valley' associated with Formula One motor racing teams (see Henry et al 1996; Pinch and Henry 1999); a cluster of computer games companies exists immediately south of London in Guildford (see Human Capital 2001), new media companies on the south coast in Brighton (see DPA 2001; and Pratt and Gill 2000), and a significant publishing cluster based around Oxford in the north west of the region. Arguably, motor sport valley has a close relation in the Recreational Marine Industries mainly located in Hampshire. Like Formula One, Recreational Marine Industries have their sporting events, for example Cowes Week, which helps to sustain a demand for state of the art materials and technologies. These technologies overlap with Formula One, and those of the marine defense industries also located in the region; finally, the industry also has a popular recreational activity linked to sailing and marinas that are scattered along the South Coast.

Unfortunately, all of these industries, some more familiar than others, are all but overlooked by statistical surveys; where they are picked up it is only in a partial manner. These clusters of significant

cultural activities were not identified by secondary data sources on the whole, the reason being that the industrial classification taxonomy is insensitive to the complex industrial filieres of the production system that they represent. Additionally, quite simply, there is no industrial classification code for Formula One racing, computer games, or recreational marine industries. Given the generally robust nature of the cultural sector and the outstanding performance of particular industries associated with clusters there is clearly value in further investigation.

The evidence presented earlier in this chapter shows elements of a set of highly robust cultural industries existing in the South East region. Significant growth can be noted in those fragments of industry that can be measured, coupled with less robust evidence it is suggestive of strength in still other elements. It is striking that strong performance can be identified in both the Content Origination and Manufacturing activities, suggesting, as the conceptual model would lead us to expect, that there might be a significant positive relationship between them. Contrary to some superficial readings of post-industrial society the knowledge economy (or, in this case a specific fragment of it, the cultural industries) has not severed its links with manufacture. On the basis of the findings reported here there is a significant need for research that can explore the precise social and economic character of spatial co-dependencies within and between these industries that will disclose the nature of the tendency to clustering and what advantages it confers.

Conclusion: the art of the possible

The UK Government has garnered a number of headlines around the world by initiating a more systematic analysis of its cultural industries. Initial findings projected the cultural industries as playing a significant role in the economy, and contributing to export earnings. Later, indications of substantial growth further fuelled expectations of the sector. However, at the same time these headline figures

pointed to the lacunae of detailed analysis and understanding of processes that may reliably explain the nature of change. These debates, and the initial 'mapping' that has gone along with them, have been picked up in a number of nation states. It is for both reasons, the popularity of the approach, and the attractive economic growth that it signals, that the next stage of the UK's policy development may be of wider interest.

This chapter outlined how the internal dynamics of the UK political system had led to the development of a regionalization program across all policy areas; the cultural industries included. The major outcome, in the UK context, of these pressures has been the coupling of the cultural industries to a regional economic development agenda. A subsidiary outcome has been the development of regional data collection and analysis; and, the creation of a more robust methodological framework for data collection on the cultural industries. The chapter discussed the findings of an analysis of change in the cultural industries in South East England between 1995-2000.

It will come as no surprise to anyone that the standard administrative region of the South East is not a particularly useful basis upon which to analyze the cultural industries. However, the chapter used this template, as policy must be developed for this spatial and administrative unit. It was expected that the findings would point to the South East region playing a subservient role to London in the case of the cultural industries. It was initially assumed that more extensive land users, and more labor intensive activities might be found in the South East, and high-prestige content production concentrated in London.

The findings indicated that the South East was growing faster than London as regards the cultural industries; Content Origination activities were found well represented in outer South East as well as inner London areas. There did seem to be some significant evidence that these activities were tightly

clustered, but that cultural industry clusters were to be found in many locations across the South East, and in London. The obvious question is: why has this growth occurred? Certainly, the UK has experienced a period of rapid employment growth; however, the cultural industries have bettered this, the South East and London in particular. There is no simple answer as to why this has happened. It is not, as yet, directly policy related as there has been little, if any, cultural industries policy implemented in the period under study. Clearly, more detailed, and longitudinal, analysis will be required to begin to answer this question. One point that did emerge from the analysis that may inform future analysis: there did seem to be a co-incidence of growth in manufacturing, exchange and content origination activities. This points to the possible value of closely linked production functions across the South East and London; these activities appear to be rooted in the many local nodes or clusters. At the regional scale, policy making for the cultural industries will most likely develop as an adjunct of economic policy. The challenge ahead for policy makers is two fold: will the cultural industries respond to standard industrial policies, or, will specific policy be required?; how will regions co-ordinate their policy making activities with one another in the field of the cultural industries?

However, given the failure to account for the dramatic growth that has occurred in the sector in recent years some more basic analysis would seem to be called for. The small steps that the UK has taken thus far may be described as the promotion of a 'way of looking' at the cultural sector. In many respects a very subtle type of policy is forming; one of making visible the activities of the cultural sector; once made visible these activities may be made 'governable'. It is important to note that whilst a whole section of the economy has been made visible, the 'non-economic' aspect of that economy has yet to see the light. The cultural industries rely, in practice, on rich webs of traded and un-traded relationships. We have as yet scratched the surface of registering some of these traded, and trade related, relations. The un-traded relationships remain, sadly, invisible to our analyses. The challenge for the future is a systematic use of more qualitative techniques and primary modes of investigation to

explore these un-traded activities. In the cultural industries analyses un-traded activities may take us back into an understanding of not-for-profit and 'fine arts', and an exploration of their articulation to the more commercial activities that the cultural industries commonly refer to.

The UK's shifting policy environment and its increasingly regional emphasis has provided an incentive to explore a smaller-scale of analysis of the cultural industries. The national level analysis has generated considerable interest and the findings here suggest that regional scale analyses will throw up more useful questions. However, the biggest challenge facing researchers and policy makers is to put in place more adequate information collection protocols. The initial attempts at 're-purposing' secondary sources have been revealing and suggestive, but they are close to exhaustion; now, more comprehensive data is required. Additionally, more detailed information is required, information that engages with subtlety of interaction, communication and proximity across the whole production chain. This latter form of data will be the most resource intensive to collect; however, at present it represents the most pressing need if a useful and informative evidence base is to be constructed.

ANNEX 1: THE CULTURAL INDUSTRIES SECTOR.

A list of industrial codes of the cultural industries used in the analysis and their classification using the cultural industries production system. All 4-digit industry codes refer to the Standard Industrial Classification (1992).

Content Origination

2211 : Publishing of books

2212 : Publishing of newspapers

2213 : Publishing of journals and periodicals

2214 : Publishing of sound recordings

2215 : Other publishing

7220 : Software consultancy and supply

7420 : Architectural/engineering activities

7440 : Advertising

7481 : Photographic activities

7484 : Other business activities

9211 : Motion picture and video production

9220 : Radio and television activities

9231 : Artistic and literary creation etc

9240 : News agency activities

Manufacturing inputs

2464 : Manufacture of photographic chemicals

2465 : Manufacture of prepared unrecorded media

3210 : Manufacture of electronic valves etc

3220 : Manufacture of TV/radio transmitters etc

3230 : Manufacture of TV/radio receivers etc

3340 : Manufacture of optical instruments etc

3512 : Building repairing of pleasure boats etc

3622 : Manufacture of jewelry

3630 : Manufacture of musical instruments

3640 : Manufacture of sports goods

3650 : Manufacture of games and toys

Reproduction

2221 : Printing of newspapers

2222 : Printing

2223 : Bookbinding and finishing

2224 : Composition and plate-making

2225 : Other activities related to printing

2231 : Reproduction of sound recording

2232 : Reproduction of video recording

2233 : Reproduction of computer media

9212 : Motion picture and video distribution

Exchange

5143 : Wholesale of electrical household goods

5245 : Retail sale: electrical household goods

5247 : Retail sale of books/newspapers etc

5511 : Hotels and motels, with restaurant

5512 : Hotels and motels, without restaurant

5521 : Youth hostels and mountain refuges

5522 : Camping sites, including caravan sites

5523 : Other provision of lodgings

9213 : Motion picture projection

9232 : Operation of arts facilities

9233 : Fair and amusement park activities

9234 : Other entertainment activities

9251 : Library and archives activities

9252 : Museum activities etc

9253 : Botanical and zoological gardens etc

9261 : Operation of sports arenas and stadiums

9262 : Other sporting activities

9271 : Gambling and betting activities

9272 : Other recreational activities

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ENDNOTES

[i] The term cultural industry is used in this chapter. The UK government has preferred the use of the term 'creative industry'. Whilst there are some significant differences in the usage and meaning of the terms this need not concern us here.

[ii] Australia, New Zealand and Canada have also collected statistics on the cultural industries, however, they have not stressed the economic role so clearly as the UK.

[iii] Initially the Regional Development Agencies were given a guiding role only. From 2002 onwards they have also been given substantial funding and the power to allocate those funds according to their own agenda.

[iv] Occupation is classified via a separate taxonomy, the Standard Occupational Classification; the problems of this echo those of the industrial classification discussed here.

[v] These issues are discussed in more detail in Pratt (1997, 2000)

[vi] It can take at least 15 years for a 'new industry' to gain some visibility in the Standard Industrial Classification. Even the revision of the classification due in 2007, which was under consultation in 2003, will still under-represent the cultural industries.

[vii] The sources used are the Annual Business Inquiry, Annual Employment Survey, Labour Force Survey, Inter-Departmental Business Register, and were supplemented by data from both Yellow Pages Business Data and Companies House Registers.

[viii] See GLA (2003), and GLA Economics (2002)

[ix] All data on turnover presented here is derived from DPA (2002).

[x] This must be attenuated by the fact that the South East has a higher cost of living than the rest of the UK, this figure is about average.

[xi] Clearly, this is a co-relation; evidence of causality would require further complementary qualitative research

TABLES

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