

Disorganised creativity

The challenge for British cultural policy for the creative industries

Chris Bilton British cultural policy for the creative industries has become disengaged from the organisational structure and culture of small creative businesses. This disconnection stems partly from some inherited weaknesses in policy, but more importantly from certain gaps and misconceptions in our understanding of the creative industries. There is a need for localised, autonomous cultural distribution networks.

What are the cultural industries?

Following the election in 1997, the British government signalled its intention to prioritise 'the creative industries' in cultural policy. The establishment of a 'Creative Industries Task Force' led to the publication of the *Creative Industries Mapping Document* (DCMS 1998), which in turn paved the way for a succession of new policy initiatives and reports. From the outset, popular successes of the creative industries were co-opted as part of the 'New Labour' brand, under the banner of 'Cool Britannia', later updated to 'Creative Britain'.

The British government's interest in the 'creative industries'¹ is part of a more general trend in European cultural policy. The definition of culture has been steadily expanding since the 1970s to encompass a wider set of activities beyond the traditional or classical art forms. Up to the 1950s, official definitions of 'the arts' complied with a fairly

strict catalogue which had changed very little since the late nineteenth century. This catalogue generally included the performing arts (music, theatre, opera, ballet) and the visual arts (painting and sculpture). There were of course other variations; twentieth century art forms, such as photography, film and jazz might be grudgingly admitted, but only in their most rarefied and least commercial forms. Literature also was sometimes included, although the commercial context of its production and distribution rendered its inclusion problematic.

Such a hierarchical system of definitions reflected a certain confidence in the meaning of culture and in standards of quality, based on a political consensus. It also conformed to the needs of cultural policy for a rational system for allocating public subsidy. From the late 1960s onwards, throughout Europe, the

'Creative industries' seems to have superseded the term 'cultural industries' in UK policy rhetoric. Creative industries are defined as those industries based on the commercial exploitation of intellectual property. This subtle change in terminology perhaps also suggests a greater emphasis on industries which actively 'create' intellectual property (content providers); for example the category includes advertising agencies, architects and computer games designers (DCMS 1998). The heritage and tourism industries might be considered marginal to this definition because although they exploit cultural value, in most cases they are not actively involved in creating the product. However, as with most bureaucratic definitions, the term appears somewhat vague, and the implicit distinctions have not necessarily been thought through.

consensus began to disintegrate quite dramatically; it was further argued that the consensus itself was a fiction invented in the late 19th century to serve the interests of the middle class. In order to reconstruct the legitimacy of cultural policy, it was clear that the old canonical list needed to be expanded. Enter the 'cultural industries'.

The newly admitted cultural industries included electronic media (e.g. broadcasting, recorded music, video), commercially 'applied' versions of traditional art forms (e.g. graphic arts and design), the products of the global entertainment industries (e.g. cinema, publishing), popular cultural forms (murals, festivals, 'community arts'), ethnic traditions and private pursuits (crafts, folk arts, ethnic dance and music, even cooking and gardening).

Again there were local variants, from Jack Lang's 'jeu de catalogue' in France in the 1980s to the sociocultural experiments in Germany and the Netherlands. Whatever the contents of the new category, the overall direction in European cultural policy was expansive, inclusive and iconoclastic, towards a growing list of newly legitimised (but long established) activities.

The reasons for this expansion in the definition of culture can be summarised as social, economic and pragmatic. First, socially, there was a strong democratic impulse to include and legitimise certain popular and minority art forms and activities which had previously been excluded from the old pantheon of European culture. Secondly, there was a growing recognition of the economic importance of cultural activity; this was an argument which gathered momentum in the 1980s, but which began with a recognition that commercial success was not necessarily an automatic disqualification from 'cultural' status. Thirdly, there was a pragmatic recognition among cultural policy makers that the definition of the cultural would simply have to expand if it was to be relevant to the real experience of the majority and to an increasingly market oriented cultural sphere (Mulgan and Worpole 1986). More recently this pragmatism has been accelerated by the contention that the creative industries represent a kind of prototype for the new knowledge economy; the state can no longer resist the market, it must follow the information society bandwagon or face isolation and irrelevance. The logic, as represented in the 1995 Bangemann report to the European Commission on Europe and the Global Information Society, is compellingly circular.

This historical background to New Labour's interest in the 'creative industries' indicates

some of the latent contradictions in the direction of its cultural policy. In particular, the historical confusion over definitions of the cultural industries points to a second problem, a lack of detailed understanding of the structural and cultural context of the creative industries. These problems are discussed below.

Britain's cultural policy background

The problematic definition of 'cultural industries' results in confusions in the ideological direction and practical implementation of cultural policy. Turning this around, we could say that the shift from 'arts' to 'cultural industries' is symptomatic of a wider crisis of legitimacy in cultural policy.

Running through British cultural policy towards the creative industries is a fundamental contradiction between two opposing ideas of culture. On the one hand, culture is seen as a universal social bond, the basis for a democratic culture which brings a society together. On the other hand, culture is seen as a privatised commodity, which can be used both as political 'brand' and as a tool for economic development. These traditions can further be traced to 'idealist' and 'materialist' theories of cultural policy which have been the source of a fundamental contradiction in British cultural policy dating back to the nineteenth century.

Through the 1980s and early 1990s, British enthusiasm for the 'cultural industries' was fuelled by a strange alliance of political opposites. For the Left, the cultural industries (video, community publishing, local and portable recording studios, printshops) represented a populist, 'democratic' common culture for all, especially for ethnic and social minorities. At the same time the cultural industries represented the new enterprise culture of Margaret Thatcher's New Right; instead of seeking subsidies, cultural

entrepreneurs were setting up businesses, creating jobs and attracting inward investment. In a prefiguring of 'Creative Britain', British cities of the 1980s used festivals, flagship cultural organisations and events to brand themselves as destinations for footloose investors and tourists. The common feature for both policy factions was instrumentalism, with cultural activity valued for its qualitative social and quantitative economic impacts, not as an end in itself.

These contradictions in urban cultural policy echoed a crisis of confidence within the political Left during the 1980s. Faced with falling budgets and the seemingly inexorable rise of a popular, commercial 'common culture', Labour local authorities recognised that some compromise with market forces was inevitable, encapsulated in Franco Bianchini's argument that cultural policy would henceforward have to intervene 'through, not against the market'. In the past, arts subsidies had been justified as a mechanism for correcting 'market failure', with taxpayers underwriting art forms which were no longer commercially viable and subsidising cultural consumers who could not afford to pay. Yet subsidised art forms had failed to reach beyond their traditional middle class constituency. If cultural policy wanted to influence everyday cultural experiences, it would have to learn to sleep with the enemy (Bianchini 1987).

For those on the Left, struggling to evolve some coherent alternative to old-fashioned municipal socialism, the term 'cultural industries' was therefore a rather ambiguous concept which allowed them to blur together competing economic, social and cultural objectives behind an apparently coherent cultural policy. As noted by Franco Bianchini and Michael Parkinson (1993), urban cultural policy was driven by competing economic and social priorities from the late 1970s into the

early 1990s. During this period, urban cultural policy became a receptacle for a succession of political agendas, from a primarily social vision of social justice and community cohesion in the 1970s, to an emphasis on economic development, civic marketing, inward investment and local employment in the 1980s. These policies were supported by a coalition of the pragmatic 'New Left' and the populist 'New Right'. The 'cultural industries' remained thematically prominent, precisely because their mix of social, economic and cultural components appealed to competing policy priorities and factions.

When the Labour Party took control of national government in 1997, the creative industries took centre stage as a flexible thematic priority for the new government. The creative industries, like the cultural industries before them, represented a hybrid of economic and social activity which corresponded to the ambiguities and contradictions in the new government policy. On one side the creative industries were seen as an instrument for social inclusion, providing opportunities for amateur involvement and employment, especially among the young. On the other hand they were projected as an instrument for economic development, an industrial sector worth £60 billion in annual exports. Beyond the social and economic priorities, the creative industries also served as part of the euphoric 'rebranding' of Britain as a dynamic and modern 'model nation' after nearly 20 years of Conservative misrule. Just as they had for the old GLC (Greater London Council), the cultural / creative industries provided a populist banner for disparate electoral constituencies and gave a unifying theme for contradictory objectives in cultural policy.

As already noted, the policy shift towards cultural industries in the 1970s and 1980s

signalled a shift from state to market, with traditional art forms and state subsidies displaced by commercial forms of cultural production such as broadcasting, cinema and computer games. In cultural policy terms, social policy objectives were being displaced or challenged by economic imperatives. At the same time, at a more practical level, the scale and structure of the cultural industries remained poorly defined, and this too would have repercussions. Specifically, policy makers did not always take account of the geography (local vs. national dimensions of activity) and ecology (supply chain relationships between distribution and production) of cultural production. Even as the creative industries took centre stage in Creative Britain, cultural production remained in the background, highly valued but poorly understood.

The creative industries mapping document

In this context the *Creative Industries Mapping Document* published in 1998 takes on a special significance. The mapping document (DCMS 1998) was the first and most significant initiative to date undertaken by the Government's new Creative Industries Task Force. The map highlights the contribution the creative industries make to the British economy in terms of export earnings and employment. Different sectors of the cultural economy are assessed in terms of their potential for growth, turnover and other economic indicators. The map also indicates some of the connections between different industries through transferable skills and products, synergies in production and distribution, shared infrastructure and shared opportunities and threats. At one level the document serves a political purpose, repeating the success story of British creativity, and reinforcing the 'Creative Britain' / 'Cool

Britannia' brand. At the same time the document is also intended to serve policy, analysing the structure of the creative industries in order to guide future initiatives. Nevertheless it is far from complete.

The most significant omission from the mapping document is any real recognition of small-scale cultural production. A remarkable feature of the creative industries is their 'hollowed out' structure. At one end of the supply chain, a flexible economy of small businesses invests in the risky business of cultural production, while at the other end, a handful of multinational, multi-media corporations concentrates on the acquisition, distribution and exploitation of intellectual property rights. The small cultural producers inject an element of diversity and innovation into the system; the large-scale distributors control access to the mainstream markets and recycle successful formulae and brands for maximum profit. It is in this area of distribution and exploitation, rather than in cultural production, that the real profits are made; on the other hand, for a sustainable cultural economy, the major distributors still rely to some extent on the independent producers to identify new markets and new ideas.

A second omission from the mapping document is any recognition of an intermediate level of entrepreneurial distribution which is capable of tapping into smaller niche markets, supporting local cultural development and local networking, and bridging the gap between local and global. This kind of entrepreneurial activity has taken on a romantic, nostalgic colour in studies of the music industry by Simon Frith and Charles Gillett; the hucksters and pranksters already seem to be fading into rock and roll history. Today's music industry, together with cinema, publishing and broadcasting, is following a global trend

towards consolidation, with intellectual property rights acquired, manipulated and exploited by a dwindling number of international corporations.

Deprived of any more localised, independent and autonomous cultural distribution system, local cultural production is vulnerable to exploitation in the rush to quick profits. Moreover the lack of an indigenous distribution infrastructure and the lack of local and regional stepping stones for developing talent is beginning to take the gloss off 'Creative Britain'. Successful entrepreneurs like (Lord) David Puttnam have noted the mismatch between Britain's apparently rich seam of national talent, and an inability to capitalise on the social, economic and cultural fruits of that talent both within the UK market and abroad. British artists regularly receive Oscars, yet British films underperform at the box office; one reason may be that we lack the kind of regional distribution system so carefully constructed and nurtured in France, another may be that the British film industry, in common with the rest of Europe is suffering from a crisis of overproduction and inadequate distribution. In the television industry, despite the advantages of English language and cultural ties with the US, Britain underachieves and is being outperformed by Australia. In the music industry, British acts have dropped out of the Billboard charts, supplanted by hits from Ireland and Scandinavia (performing in English of course).

In this context, the holes in the mapping document take on a new significance. Structurally, the document has already been criticised for its focus on big business, rather than on small-scale cultural production. The visible peaks of export earnings and business growth are portrayed in glowing terms. The production of intellectual property meanwhile

takes place in an invisible world of private obsessions and personal commitments, connected through hidden networks of individuals and small businesses working towards a common goal. Geographically, the document charts national aggregates of statistics, not regional and local patterns of activity. In particular the connections between grassroots cultural production and local and regional patterns of distribution are not explored. The social context of cultural production is neglected in favour of a glossy portrait of its economic significance.

There are welcome signs that some of these imbalances have been recognised within DCMS. In last year's Comprehensive Spending Review, the regional dimensions of cultural activity are highlighted, and there appears to be a growing recognition of the need for supporting cultural distribution systems as well as cultural production, particularly in the film industry. However, the emphasis is still on the big picture, not the local scene. The reasons for this neglect are both structural and cultural. While the intentions of cultural policy appear to be changing, the mental map of the policy makers appears trapped in a glossy world of big business and big numbers. The next two sections attempt to correct the picture, examining the underside of Creative Britain and the realities of small creative businesses, in particular the disorganised creativity of local cultural production and the need for alternative distribution networks.

The Structure of Cultural Production: individual creative competences

The basic units of currency in the cultural economy are ideas. In an economy based on ideas and imagination, 'human capital' becomes the core asset, and human capital will be accumulated by connecting with and investing in talented individuals. Secondly,

ideas are more flexible than things. Negroponte (1995) has described this as a transition from 'atoms' to 'bits'. In the realm of 'bits', instead of dealing in material things made up of atoms, we deal in knowledge and ideas made up of bits; of course these bits must be realised in material form, but the hardware we use can take on many forms and is only a temporary part of the package. In the same way, the core product in a cultural economy remains virtual. Consumers and producers must spend money on the hardware (videotapes, CDs, film stock). However, the core of the product, in its symbolic essence, remains sufficiently versatile and indeterminate to be reinvented, rereleased and repackaged in many different ways. Just as symbolic goods (ideas, concepts) flow between different media and art forms, creative individuals can pursue portfolio careers in different industries. Consequently the primary asset of the individual is a transferable 'creative competence' which can be adapted to different media and art forms.

Transferable creative competences affect the way that cultural production is organised. First, employment in Britain's creative industries is disproportionately skewed towards self-employment, with about a third of cultural workers falling into this category; in the British film industry the number of self-employed workers is around 50% (O'Brien and Feist 1995). Talented individuals are able to pursue portfolio careers across many different organisations and projects; as multiple specialists they are able to adapt to a volatile employment market. Secondly, creative organisations themselves are configured as temporary coalitions between individuals and micro-businesses, collaborating on specific projects. For example a film production company is actually a kind of virtual shop-front which brings together a host of regular and irregular associates behind a common

purpose, the making of a particular film. This goes beyond the practice of simply 'outsourcing' work to sub-contractors; the situation is effectively reversed so that individuals and independent businesses join forces to create their own imaginary organisations around specific projects, with the 'organisation' existing (if at all) as an empty space waiting to be filled (Hedberg et al. 1997).

These trends may be peculiar to Britain in certain respects, particularly the high proportion of self-employment in the cultural sector.² However, the small scale individualism and informality of cultural production appear to be neither uniquely British nor especially new. This focus on small-scale artisanal production has long been a feature of urban cultural policy in Europe, notably in Italy. What does appear to be distinctively British is the neglect of these trends in national cultural policy.

The importance of transferable individual creative competences has implications for training in the creative industries. For most cultural producers, we can distinguish between different levels of creativity, between technical skills and an underlying creative vision. Of course technical skills are necessary if the creative competence is to be realised. However, the key to a sustainable career is investing in the core creative competence. The technical skill of A-VID editing, for example, may provide a steady flow of work for a film editor; however any editor who relies solely on that technique is extremely vulnerable, since changes in technology or a short course will make that technique available to competitors, or even entirely redundant. The creative competence of film editing is more complex and intuitive, dependent on an ability to understand the grammar and rhythms of film, drawing on emotional and intellectual capacities, not just

technical skill. To train a film editor is therefore much more than simply acquainting him or her with a particular set of technological tools.

In the end both types of training are necessary. However, employment training, based primarily on the needs of the employer not the individual, and on short term outputs in the job market, focuses on technique not competence. Long term individual development is expensive, risky and unlikely to satisfy the evaluation criteria of funded training programmes (e.g. European Social Fund, New Deal) which continue to be driven by short term employment statistics, not quality and sustainability of employment.³

If the strength of the individual is a transferable creative competence, the strength of the organisation lies in the quality of relationships between individuals. This is one reason why small creative businesses find it difficult to grow. Trust, self-awareness and communication are easier to maintain in a small group. Once the business starts to expand, these mutual relationships are placed under stress, informal connections harden into formal hierarchies, conversations become confrontations. Rapid, unplanned expansion causes individual roles and relationships to unravel. Individuals retreat into their 'core competence' and refuse to interact with others, turning in upon themselves and converting strengths into liabilities (see Miller 1990).

Year on year business expansion is consistent with a policy of economic development and with the accumulation of shareholder value. In Anglo-American business culture, growth is embraced as the goal of the rational business; expansion allows the business to consolidate its competitive advantage and market share. In the creative industries, especially for cultural producers, development is unlikely to follow

this linear route. Business growth may actually be more of a liability than an opportunity because it increases overheads, limits flexibility, dilutes core competences and alienates loyal customers. It also causes cashflow problems, not least because, with access to the market controlled by external gatekeepers (commissioning editors, investors, studio bosses, agents, distributors), cultural producers are not in direct control of their own business plans. Beating the competition is less important than sustaining cooperative relationships with suppliers, partners and customers. If there is an underlying logic to growing a creative business, it is based on individual growth and the cultivation of 'intellectual capital' accumulated through carefully selected projects and partnerships which build on individual core competences. Business development appears sporadic, based on collaboration, the emergence of virtual organisations, or investment in intangible assets (e.g. training, quality of the product).

Again there are implications here for policy. In many cases we should either be discouraging small businesses from growing or helping them to cope with unexpected success. Small creative firms are at their most vulnerable as they metamorphose into medium-sized firms; typically the transition point can arise for small creative businesses which have been running for five or six years. This is the point where management can either make or break the company.⁴ Business growth is high on the government policy agenda, highlighted in the statistics of the mapping document, reflecting the priority given to the creative industries as a tool for economic development.

Cultural policies towards training and business expansion in the creative industries reflect a policy agenda which is fundamentally disconnected from the structural reality of

cultural production. This structure, based on individual creative competences, also has implications for the 'culture' of cultural production.

The Culture of Cultural Production: economy of mixed motives

Small creative businesses have evolved their own individualistic business culture. Typically such organisations are governed by an economy of mixed motives in which artistic, personal and social ideals compete with pure business objectives. Instead of a coherent mission statement there are competing personal goals; one of the challenges for a sustainable creative organisation is linking these different objectives into an ongoing 'strategic conversation' (Roos and von Krogh 1996). Individuals who maintain a network of relationships (both personal and professional) outside the firm may have only a loose relationship with the day-to-day business of the organisation. The culture of the small creative business therefore has two key characteristics. Firstly, purely commercial objectives may be opposed by competing social or artistic goals. Secondly, the classic model of business strategy, based around a single coherent mission statement and 'top down' business planning is replaced by a more fragmented business culture with individuals each pursuing complementary but not identical goals.

The term 'lifestyle business', used to describe many 'creative businesses' where leisure and lifestyle are part of the product mix, is sometimes taken to imply a lack of seriousness or professionalism. In reality the fact that individuals remain embedded in their own separate lifestyles outside the business may also be a source of strength. Work-life balance has emerged as a key concern in recent management literature (e.g. Handy 1994). For cultural producers, the social space around the

creative process provides an opportunity to refresh the imagination. Individual autonomy is also important to creativity; creativity research indicates that strong intrinsic motivation is essential to creativity, and that externally imposed constraints and rewards have at best a marginal effect, at worst a negative one (Hennessy and Amabile 1988). A degree of disengagement from the business and a relaxed management style are therefore likely to enable creativity, and cultural producers need to build some unproductive time and space into their business culture.

The individualistic culture of the creative business can appear perversely anti-commercial. Instead of seeking to maximise their profits by satisfying customers, cultural producers often appear to have a 'product-led' attitude to marketing. Paradoxically, this apparently anti-commercial attitude can itself become a valuable commodity. Conventional marketing, with its emphasis on meeting customer needs and wants, is challenged by the cultural consumer's search for unprecedented experiences. Consumers do not necessarily know what they want until they have tried it. A willingness to trust in the integrity of the product may in the end be valued and respected by customers. This is not a cue for artistic self-indulgence; it is an admission that audience taste remains highly unpredictable. Cultural marketing strategies will need to be market-oriented, but they will not necessarily be market-led.

Strategically, the fact that the economic bottom line of the business is not the only consideration in making decisions, means that the business is less risk-averse than a more economically rational organisation. The creative business's non-commercial objectives provide an alternative rationale for strategic decision-making, just as entrepreneurial

behaviour depends upon an element of corporate irresponsibility (Stevenson 1989); in an unpredictable market, spontaneity and idealism can actually appear more rational than following a business plan. The management culture which allows a business's strategic decision to flow from ad hoc decisions instead of vice versa is described by Mintzberg as 'ad hococracy'. According to Mintzberg, this 'emergent' model of strategy may be a more rational adaptation to the contemporary business environment than the more dogmatic 'top-down' planning model which is rooted in a lost world of Fordist mass-production and Taylorist business efficiency (Mintzberg and McHugh, 1985; Mintzberg and Waters 1985).

The business culture of cultural production is individualistic, product-focused, spontaneous and economically irrational. This business culture appears well-suited to both the production and consumption of symbolic goods. However, it is not a world recognised in the mental map of big business, nor in the 'big business' model of the creative industries proposed by contemporary cultural policy.

Cultural distribution: reconfiguring the supply chain

It has been argued that cultural production takes place within networks of projects and individuals, forming clusters of creative competences or 'art worlds'. To some extent these same networks can also function as internal market-places, with small groups of fans and dedicated artists trading ideas with each other. However, the high cost of cultural production means that maximising audiences is the only way that cultural producers can achieve economies of scale (Baumol and Bowen 1966). Such economies of scale have become more or less essential for business survival in the creative industries. In order to reach a mass

audience, most cultural producers depend upon major distributors or 'gatekeepers'.

Across the creative industries there exists an uneasy collaboration between very small companies (primarily 'content creators') and very large companies (primarily branders and distributors of other people's content). From the cultural distributor's perspective, ideas and talent are raw materials which must be shaped into commodities. In order to reduce risk, distributors seek to build these commodities into successful brands (e.g. rock stars, movie franchises, successful genres).

As the machinery of marketing and distribution become increasingly finely tuned, the significance of the original idea shrinks into the background. Creative 'content' takes second place to the selling and franchising of brands. Naomi Klein suggests we may be entering a new phase in the creative industries, where brands have all but superseded the need to make or produce anything except the brand itself (Klein 2000).

If the structural relationships between cultural producers can be characterised as web-like networks and clusters, the relationships between producers and distributors function more like a conventional linear supply chain. The chain is distributor-led, meaning that power is concentrated at the distribution end of the chain where distributors, retailers and marketers deal with the public. Cultural producers are at the other end of the chain, with little or no direct contact with the consumer. Below a certain level of familiarity, scale, capacity and consumer confidence, cultural producers can only reach the consumer through an intermediary. At this point they become commodities which the intermediary sells to the customer. Control of the transaction passes from producer and consumer to the intermediary; the intermediary is able to determine the terms of the transaction, the

price, the product surround, the customer environment and the profit. Intermediation by the distributor leads to a 'relinearisation' of the supply chain.

In the creative industries, the intermediaries are the major film distributors, national and international broadcasters and publishing companies, and the 'Big Four' major record labels. These corporations have configured themselves as horizontally and vertically integrated organisations, the antithesis of the kind of loosely configured alliances which characterise cultural production. Through their dominance in the market, these organisations are able to reintegrate other smaller players into their orbit and to reconfigure the supply chain with themselves at the top. The challenge for cultural producers is to prevent themselves sliding down to the bottom of the supply chain and becoming 'commoditised'. The only way to do this is to retain direct contact with the customer; once the customer decides she is better off dealing through an intermediary (more choice, better price, more information), the struggle is lost.

The challenge for cultural policy is to prevent this relinearisation of the supply chain through the development of an alternative infrastructure of producer-led cultural distribution networks. It seems likely that much of this activity will take place at a relatively small scale at local and regional level; as networks and clusters expand, they are more likely to become centralised around a single dominant partner. In the past cultural producers have built virtual organisations among themselves; they now need to expand their networks to include consumers and retailers.

The other possibility is the construction of virtual networks on the internet. We are already beginning to see the emergence of an

alternative to mainstream distribution in the music industry, with music being exchanged (often illegally) through consumer-led and producer-led sites. This has led to the claim that the internet offers a 'disintermediated' market-place, with independent producers (musicians) dealing direct with the public (the fans). The counter-argument is that most consumers, and most producers, will prefer to aggregate through a trusted 'superbrand' like Amazon.com or HMV.com, where information about music is sorted and processed for the customer, and where artists can reach most customers, backed by the marketing clout of a major distributor or retailer. Here the talk is of 'reintermediation' or even 'hypermediation' (Carr 2000); certainly the big winners in the dot.com market currently seem to be the 'infomediaries' (search engines, retailers, advertisers, financial services, encryption services, etc.), not the content providers.

The future reality may lie between these extremes. Certainly it is naïve to assume that cultural producers will be given a free run on the internet by the established retailers and distributors. Recent mergers such as Time Warner – AOL – EMI indicate the transfer of existing cultural gatekeepers into the digital domain. On the other hand, it would be a mistake to assume that in the future there will only be one network; the internet itself was constructed as a multitude of networks connected together, and it seems reasonable to expect a diversity of sites on each individual desktop's list of bookmarks. There may well be alleyways and street corners off the information superhighway where individual consumers and producers can freely interact, providing alternative mechanisms for cultural distribution and creative exchange.

If such sites are to be a reality, they must become 'destination sites' where customers go first; once they become secondary links in a

chain of transactions, they risk becoming commoditised as intermediaries take their slice of profits and market share, and effectively control access to the site. Again the quality of marketing and information will be as important as the products themselves.

Networking and distribution remain the missing link for independent cultural producers. If policy makers wish to prevent the relinearisation of the cultural economy, they need to address the problem by looking at alternative forms of distribution and network building; the crucial factor will be maintaining an equality among the participants and avoiding the situation which is already emerging in the music industry, with the new musical entrepreneurs proving no less exploitative of artists and consumers than the majors.

It is worth emphasising here that the cultural industries strategies of the GLC and other cities in the 1980s were above all alternative cultural distribution strategies. For cities outside London, like Sheffield, investment in a local cultural infrastructure aimed to allow local cultural producers to participate in the local cultural economy, instead of departing for the capital. In London itself, cultural distribution aimed to provide an infrastructure for the working class, ethnic minorities and socially excluded, outside the mainstream media. These distribution strategies were essentially oppositional, providing alternatives to dominant hubs and networks. There is an assumption here that more than one distribution system is possible, not just a single, unified super-network. Such oppositional alternatives are not acknowledged in the big picture mentality of the mapping document.

The challenge for cultural policy: a new cultural map

Cultural policy is framed by structural and theoretical assumptions. Cultural policy intentions are driven by theoretical assumptions about the meaning and value of culture. Cultural policy implementation is shaped by assumptions about organisational behaviour and organisational structure.

It has been argued that British cultural policy has been based upon an incomplete mental map of the creative industries. Crudely, this map has been based on a 'big business' model and has failed to account for the mess of informal, unstructured creative activity which underpins the visible peaks of economic success. In turn these assumptions about organisational culture and structure have steered policy towards a primarily economic assessment of the importance of the creative and media industries.

Of course, filling in the gaps in the map is difficult. Much of the activity is too small to register on the radar of official statistics; for example artists might not be counted in official employment figures because their creative work runs alongside an official 'day job', and small creative business might not turn over enough money to register for VAT. Some research is beginning to take place at a local and regional basis, in support of the new regional economic and cultural strategies. There is also perhaps a need for further qualitative research to complement the quantitative data.

Above all, we need to ensure that the economic picture of the creative industries as a machine for exports does not get in the way of the social picture. Originally deployed as a defensive armour, economic evaluations of the creative industries have become a kind of smokescreen which prevents us from recognising their real value and purpose. If we look closely at the realities of small-scale

cultural production, the primary significance of the creative industries may not be economic, but social, representing a new and experimental form of social organisation.

Several commentators have argued that we are entering a new phase of economic and social organisation, variously referred to as 'post-Fordism', the 'information society', 'the knowledge economy'.⁵ Within this analysis, the creative industries are seen as a kind of prototype. In economic terms, Lash and Urry describe a global economic shift towards 'post-material goods' and a 'culturization of economic life' (Lash and Urry 1994, 15; 109). In this argument all products are beginning to behave like 'symbolic goods', with the symbolic meanings transmitted through packaging, design and advertising, outweighing the product's functional, material content. In social terms, Piore and Sabel (1984) argue that we have entered a new era of 'flexible specialisation' in which small firms, working together in clusters and networks, respond flexibly to a diversified demand for services and intangible goods, cutting out the old supply chains and outflanking cumbersome, bureaucratic organisations.

Such theories of the future are often criticised for their totalising quality (Webster 1995). It is probably true that the 'global shift' has been exaggerated. However, elements of the scenario – flexibility, small firms outflanking and collaborating with large firms, informal local networks and clusters, an emphasis on who you know not what you know, projects not organisations, portfolio careers and flexible labour – appear to correspond with reality in the cultural sector.

If we are serious about creating a new knowledge economy, the key is not in the electronification of commerce, but in the

emergence of alternative forms of social organisation. Small scale cultural production contains the beginnings of such an experiment, with new relationships emerging between work and leisure and between the individual and the organisation. The networks of cultural producers described in this article provide one possible future for the creative industries; however, they will not survive unless we are also able to develop alternative networks for cultural distribution which are not exclusively controlled by the existing industry gatekeepers. Local networks and the internet provide a possible medium where such an infrastructure could be built. Clearly such networks will not challenge the hegemony of the global corporate giants, but they do provide an alternative. However, their sustainability will depend on the vision and support of policy makers, cultural producers and consumers.

Structurally, strategically and temperamentally, small creative businesses do not behave in the same way as conventional businesses. These anomalies are precisely what make creative businesses an interesting prototype for a new knowledge-based economy. In order to prepare for e-commerce, large businesses are having to acclimatise to a new social structure, both internally in their management systems, and externally in their relationships with suppliers and customers. These new forms of social organisation are prefigured by the relationships within and between small creative businesses. The 'big business' model of the creative industries in UK cultural policy appears to have overshadowed the idea of creative businesses as a kind of social experiment. As the GLC signalled a decade and a half ago, the real significance of the creative industries may accordingly lie not in its economic content but its social context. Once we recognise the distinctive structural

characteristics of the creative industries, it becomes clear that one reason for governments to take an interest in the creative industries centres on their position as an alternative model for business organisation. A clearer understanding of the real structure of the creative industries is not only a necessary addition to the cultural mapping documents, but a priority for cultural policy.

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Chris Bilton

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Notes

1. See next page's text frame.
2. For a summary of recent research on this topic see Feist 2000.
3. A recent seminar attended by British government ministers found that approximately one third of participants in New Deal programmes (providing work experience and training for the long-term unemployed) had returned to unemployment within 13 weeks. Financial Times, 12 June 2000, p. 2.
4. For an imaginative and practical solution to some of these problems, see Sykes 1999.
5. For a summary of the arguments and counter-arguments, see Webster 1995 and Amin 1994.

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