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SASKATCHEWAN

## **DISCUSSION PAPER**

**WHAT'S IN A NAME?**

**CULTURAL AND CREATIVE INDUSTRIES**

# DISCUSSION PAPER

## WHAT'S IN A NAME? CULTURAL AND CREATIVE INDUSTRIES

Beginning in the 1990s, a considerable amount of public policy discussion worldwide has hinged on the importance of what could broadly be referred to as the cultural sector of the economy. However, what is striking is that there is a significant lack of consensus regarding the terminology to be used. In particular, it is unclear whether or not there is any meaningful difference between what are often referred to as the cultural industries and what are called the creative industries. In what follows, I will take a brief tour through the history of these terms to attempt to isolate at least some of the central underlying issues.

### HISTORY OF THE TERMS

From the standpoint of economics, there is really no distinction between the terms “culture industries” and “creative industries”. All that matters for the economist is consistency. As Ruth Towse writes, “The classification of industries into groups or a sector is regarded as a pragmatic matter of identifying economic features they have in common, such as the products themselves or the type of process involved in their production. Second, there is no value judgement attached to this exercise whose main purpose is to ensure that there is no double-counting of inputs or outputs of an industry in the national income accounts.” (*A Textbook of Cultural Economics*, 376). However, the use of different terms, and the outright hostility at time to certain terms, suggests that there is more at stake than a purely economic point of view would disclose. As is so often the case when it comes to the different manifestations of the arts, economics only gets us so far. Thus, it is worthwhile to briefly survey some of the highlights of the history of these two terms to see if we can at least begin to identify the central issues underlying them.

The earliest generally accepted use of the term culture industry can be found in *Dialectic of Enlightenment* (1944) by Max Horkheimer and Theodor W. Adorno. Although European by birth, the two thinkers emigrated to the US in the 1930's only to find that the culture embraced

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in America was not the high art culture of Europe, but rather the popular culture of Disney, Jazz and radio. Horkheimer and Adorno attempted to explain the dominance of these cultural products that they abhorred as the product of an all-embracing culture industry. The term “industry” is singular here to indicate the unitary character of mass culture. For Horkheimer and Adorno, the term carries a strong condemnatory tone and speaks to the corruption of art through both industrial methods and through the extent to which it reinforces industrial ways of thinking. This extreme cultural pessimism is reasonably clear throughout much of their writings. What is less clear are the sectors included within the concept and the rationale behind their inclusion. While Horkheimer and Adorno provide no list, their examples include: Film, Radio, Popular Music, Jazz and Popular Fiction. Excluded are advanced art music (such as Schönberg), the high visual arts (such as Picasso) and difficult modernist prose and poetry (such as Proust, Joyce, Beckett and Mallarmé). In other words, the distinction between ideologically acceptable art and the culture industry more or less comes down to the distinction between high and low art. To many who would succeed Horkheimer and Adorno, it was precisely this elitism that needed to be purged from the term.

In the 1960s, the term was revived in large measure due to the political uprisings across North America (e.g. FLQ, SDS, Weather Underground and the Black Panthers) and Europe (Mai '68) and also to the general cultural turn in sociology, both of which led to an increasing weight given to problems of identity. In these circumstances, the culture industry provided a useful concept for understanding the ways in which identity was formed and the way in which those mechanisms could be altered to provide new forms of freedom. To put it simply, we would no longer have to watch industry films and listen to industry music. Anyone could make their own movies and music. When this liberationist perspective met the reality of Thatcherism in the UK, it began to see these possibilities not only as means of challenging authority, it also saw them as a means for economic revival of cities after the de-industrialization of the 1980s. It was in this context that the Greater London Council (GLC) released their *London Industrial Strategy: The Cultural Industries* in 1985. Here we find the first use of the term culture industries in the plural. It was purged of elitism and pessimism. It would be the site for the development of a diverse, dynamic society.

However, Thatcher shut down the GLC just one year later. While there was some renewed funding from the John Major Tories, this funding still tended to be addressed to the arts as helping to preserve national cultural identity. The GLC's conception of the arts as an economically vital sector would have to wait over a decade until they could be relaunched and rebranded from cultural industries to creative industries by the Labour government of Tony Blair. Taking a cue from Australia's *Creative Nation* document of 1994, the Blair government launched Creative Britain with the Department for Culture, Media & Sport's highly influential Creative Industries Mapping document in 1998. This document skipped the “culture industries” and instead defined the “creative industries” as “those activities which have their origin in individual creativity, skill and talent and which have the potential for wealth and job creation through the generation and exploitation of intellectual property.” It then went on to specify thirteen sectors that were included. These were: Advertising, Antiques, Architecture, Crafts, Design, Fashion, Film, Leisure Software, Music, Performing Arts, Publishing, Software, and TV and Radio. Although the numbers would later be significantly revised, the UK government claimed that these sectors were responsible for £57 Billion and the employment of roughly 1 Million.

It is worthwhile to make a few comments on the DCMS Mapping Document as it holds a privileged place in influencing most other jurisdictions. First, there is no attempt made in the mapping document to justify either the inclusion of any sectors (design and software being probably the most controversial and also those with the highest economic impact) or the exclusion of any sectors (if software is sufficiently creative, why not academic research?). This lack of a rationale would allow most other jurisdictions to make alternative lists, each of which tending to include areas in which the particular country succeeds. Second, there was no attempt made to understand the interrelation between the different sectors. Especially from a public policy standpoint, this omission can lead to misguided initiatives that attempt to support only

isolated sectors. Finally, while the tying of the sectors to intellectual property provides some content for the concept of creativity, it still seems that from an economic accounts perspective, too many non-creative activities will be included (e.g. janitorial work in music studios) and too many creative activities will be excluded (e.g. innovation in agribusiness, for example). However, this ambitious and novel approach to a hitherto undervalued area of the economy, combined with the massive popularity of the early Blair years, invited other jurisdictions *en masse* to emulate this approach.

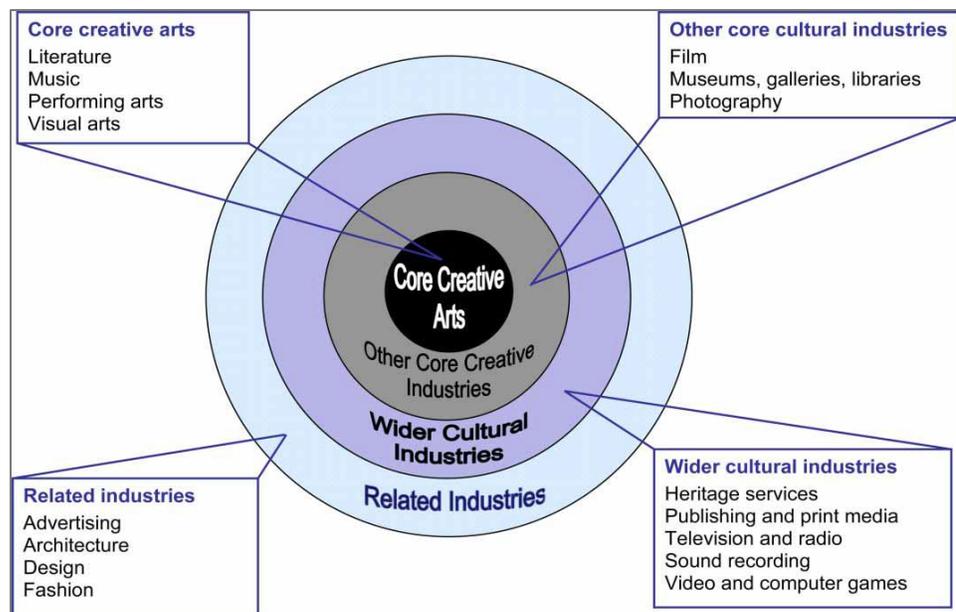
This process was aided by the popularity of Richard Florida and his book *The Rise of the Creative Class* (2002). Here, Florida updated the GLC thesis concerning the suitability of the cultural industries for urban renewal with pre-high-tech-bubble optimism about start-ups and dot-coms. Thus, was born the Creative Class with its love of tolerance, street-level entertainment and technology. Florida moved beyond the thirteen sectors of the DCMS Mapping Document and divided his class into two.

- Super-Creative Core
  - Computer and mathematical
  - Architecture and engineering
  - Life, physical and social sciences
  - Education, training, and library
  - Arts, design, entertainment, sports, and media
- Creative Professionals
  - Management
  - Business and financial operations
  - Legal occupations
  - Health-care practitioners and technical
  - High-end sales and sales management

Although the arts and culture industries are present here, the sort of economic and social impact that Florida advertises seems inconceivable without such high impact industries as computers, engineering, healthcare and business and finance. However, once these are included, it seems that the concept has moved more to a negative description rather than a positive one. That is, rather than these groups being defined by what they possess, they are defined by the fact that they are not manufacturing and not service (or at least not low-income service). Again, although Florida does include the arts, their main function seems to be that they provide an attractive place for creative types to live and that they influence these creative types in ways that Florida never quite specifies.

While Florida's *Rise of the Creative Class* may have influenced more than a few city planners, much more influential on the international scene has been the conception of the culture industries largely inspired by the work of David Throsby. In addition to writing numerous academic works in the field of cultural economics, he has been directly involved in policy formation in Australia and at the UN. His "concentric circle" model of the cultural industries has been cited as an influence on the UNCTAD *Creative Economy Report* (2008), the UNESCO *Framework for Cultural Statistics* (2009) and the UNESCO *Creative Economy Report, Special Edition* (2013). It seems to have found a ready audience in these international circles in many respects due to their concentration upon issues relating to national development in the face of globalization. These concerns invite an emphasis on culture in that it not only applies to the narrow sense (i.e. the culture industries), but also the broader one as well. In the broader sense, culture refers to something like the total way of life of a people. In international circles, an emphasis on the

culture industries becomes synonymous with a model of development that attempts to preserve and develop local cultures in the face of the dangers of globalization. In any case, Throsby's model, which he developed in 2001 (*Economics and Culture*) and then clarified in 2010 (*The Economics of Cultural Policy*) has provided an influential understanding of the narrow sense of



culture in a form that is at least amenable to these larger policy goals. The diagram to the right is taken from his paper, "The Concentric Circles Model of the Cultural Industries" (2008).

The final model worth noting is that of Statistics Canada. In its *Conceptual Framework for Culture Statistics* (2011), it defined culture as: creative artistic activity and the goods and services produced by it, and the preservation of heritage. It must satisfy at least one of the following six criteria: it has the potential of being protected by copyright legislation; it supports the creation, production, dissemination or preservation of culture products; it adds to, or alters, the content of a culture product; it preserves, exhibits, or interprets human or natural heritage; it provides training or educational services aimed at individuals who create produce or preserve culture products; or it governs, finances or supports directly culture creation. The following domains are then included: Culture Domains - Heritage and Libraries (e.g. archives, natural and cultural museums), Live Performance (Performing arts and festivals/celebrations), Visual and Applied Arts (Visual art, reproductions, photography, crafts, advertising, architecture, design), Written and Published Works (books, periodicals, newspapers, greeting cards), Audio-Visual and Interactive Media (Film & Video, broadcasting, interactive media), Sound Recording (sound recording and delivery, music publishing). Transversal Domains - Education and Training, Governance, Funding and Professional Support. And Infrastructure Domains - Mediating Products (e.g. computers, MP3 Players, eBook readers, etc.).

## SIGNIFICANCE OF THE TERMS

The terms "culture industries" and "creative industries" are by no means without controversy. Each year, a great number of academic and other articles are produced denouncing both terms (see for example, Philip Schlesinger's "The Creative Economy: Invention of a Global Orthodoxy", 2016). However, most of the criticism has tended to focus less upon the "cultural" or "creative" side, and more on the "industry" side. That is, much of the hostility has been the long familiar view that art is not a business. While certainly there is more value to art than simply monetary value, the economic term "industry" does not

deny that. For example, hockey is undoubtedly part of the sports industry, yet no Canadian would ever conclude that hockey is just about money. The love of the game elicits a participation, a loyalty, and a spirit of volunteerism that could never be completely quantified. As any economist will say, economics only tells part of the story, but it does tell part.

Of more significance is the divergence in the use of the terms “cultural” and “creative”. What are we to make of this? The first thing to note is that any conclusion drawn here is of extremely limited validity. While the examples discussed above used one term or the other, there are plenty of jurisdictions that use the terms interchangeably or in combination with one another. Hence, we can in no way provide a universally valid explanation of the terms. Nevertheless, something of a hypothesis can be put forward. Namely, that the terms “cultural” and “creative” are less descriptive terms and more aspirational terms. That is, the two terms can, and often are, used to describe precisely the same sectors. What accounts for the difference is rather a vision and a hope concerning the goals that policy might achieve. This can be seen if we review the contrast between the *Creative Britain* of Tony Blair and the prevalence of the term “culture industries” in international forums like the UN. In the latter case, as was said above, the primary concern is with the development of the global south under a globalized market economy. In these circumstances, the fear is that local cultures will be swallowed up by larger, advanced societies. Hence the focus upon culture industries is directly tied to the fact that these industries can provide development precisely based upon the local practices of these particular cultures. The thinking is that if a country develops industries specifically tied to their indigenous cultural practices, development may not mean Westernization.

In the case of *Creative Britain*, however, the British government had completely different concerns. The issue was less developing and preserving an indigenous culture and more about giving birth to a radically new culture. This would be a culture driven by technology, the knowledge-economy and advances in the mass media. Hence these were to be conceived as “creative industries” because they spoke to an aspiration towards a new society.

This hypothesis receives further confirmation from the Canadian provinces. There are three that have agencies using one of the two terms. These are: Creative Saskatchewan, Creative BC and the Société de développement des entreprises culturelles (Québec). The hypothesis advanced here would suggest that the use of the term “cultural” in Québec occurs because that province is particularly concerned with preserving a unique culture. And that, in fact, is what we find. Saskatchewan and British Columbia feel less concern with preserving and hence use the term “creative” to indicate an emphasis on novelty and innovation. While roughly the same sectors are handled by all three agencies, the term indicates aspirations more than anything else.

As a whole, then, the economist is right in stressing that the choice of terms has no particular economic consequences. However, many things of value in life do not. The aspirations of public policy have important consequences for the direction of development and for the way people view their society. While we can refer to whatever we want by the terms “cultural industries” or “creative industries”, it is important to realize that such choices do not simply reflect accidental habits. Rather they give voice to our understanding of our past and the challenges we face in the present. They can do this because they give voice to our hopes for the future.