FROM CULTURAL TO CREATIVE INDUSTRIES.

The Political economy of culture and cultural policy

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I was asked to talk to you this evening about the economics of culture. This is both a broad and vague remit, especially because the meaning of the term culture is itself so slippery and contentious.

For this reason, and also because I believe that economics is or at least should be a primarily practical rather than theoretical activity – an attempt to deal with real world problems -, I have chosen a specific focus. I will, therefore, talk about the political economy of culture – that is to say about the relationship between the economic analysis of culture and current cultural and economic policy.

Under New Labour Cultural policy discourse has taken a distinctly economic as the aim of policy has shifted from supporting the Arts to supporting the Cultural Industries and then to fostering the Creative Industries. My chief purpose this evening will be to examine why that has happened, to unpick the economic thinking that underpins it and to ask to what extent it is justified.

But first I must make clear what, for the purposes of this analysis, I mean by culture. This is important because in assessing the Creative Industries Strategy what is included within that term makes a difference. At its widest I mean the ways in which we produce, disseminate and consume or use symbols rather than things. Here I will follow convention by referring to Information, the Information sector, Information workers and so on. But within that broad category I will be focusing on what I will call the cultural industries or cultural sector with its cultural goods and services, its cultural workers, a sector which consists essentially of what is also referred to as arts and media. This is sometimes thought of as the sector which, in the words of a recent
Work foundation report for DCMS, produces and commercialises ‘pure expressive value’. But I want to stress here that while the sector is often thought of as only producing immaterial goods and services for final demand, ie arts and entertainment, it is more centrally concerned with producing informational producer services with a functional purpose, for instance advertising. This dual relationship is crucial to a political economic analysis. It is also clear that from this perspective the whole of the education sector lies within the cultural sector.

The problem is that none of these terms is simply a neutral descriptor. Each carries with it a shifting theoretical and political thrust. Since new labour came to power there has been a shift in usage from cultural to creative industries. And this terminology, and the policy thinking linked to it, has also been taken up within the institutions of the EU.

In February the Government published a Strategy Document, entitled Creative Britain, New Talents for the New Economy, jointly sponsored by the Dept of Culture, Media and Sport, Dept for Business Enterprise and Regulatory reform (the ex DTI) and Dept for Innovation, Universities and Skills.

In his Forward the Prime Minister wrote that:

“Britain is a creative Country. You can feel it every time you visit one of our great museums, galleries or Theatres. You can see it when you watch the best of our television or play our imaginative new computer games. And you can sense it in our music, film, fashion and architecture. Creativity is at the heart of British culture – a defining feature of our national identity. And today the force of British creativity is
renowned throughout the world. People across the globe are inspired by the sheer
diversity of our creative talent and the consistency with which that talent takes the arts
in new and exciting directions. They recognise Britain as a hub of creative endeavour,
innovation and excellence, and they are drawn to the strength of our creative economy
.. In the coming years the creative industries will be important for our national
prosperity… I intend to make it easier for creative people to build on their success in
the global market place, our capacity to break new ground will be crucial to our future
prosperity and we need to act now to make Britain’s creative industries accessible to
an even wider pool of talent and to support our creative economy to enable it to
grow…This is a strategy with the flexibility to adapt o and support a sector that is
changing faster now than ever, and I hope it will mark the beginning of a fresh new
partnership with our creative industries”.

This message was then reinforced by the sponsoring Ministers in the following
words:-

“Britain is known for its creative talents. Our writers and artists, directors and
designers, musicians, comedians and craftspeople light up the lives of people around
the world. Looking to the future, demand for culture and content in English of the
highest quality will only grow. This presents a competitive advantage for Britain, but
a major challenge too. Countries elsewhere in the world – both developed and fast-
developing – are competing ever more vigorously, looking to seize opportunities. So
now is the time to recognise the growing success story that is Britain’s creative
economy and build on it. The creative industries must move from the margins to the
mainstream of economic policy thinking as we look to create the jobs of the future ..
Our creative industries have grown twice as fast as the rest of the economy in recent years, now accounting for over 7% of GDP. If they are to continue to grow in size and significance we must work hard to maintain the most favourable conditions to stimulate British innovation and dynamism. And we must ensure there are people with the right skills to meet the needs of that expanding sector.”

I should say at the outset that I regard this rhetoric not only as tosh, but as deluded tosh. It is simply, like so many public statements these days, beyond satire. But my purpose this evening will be to examine the economic thinking that underlies this policy vision, however flawed. How is it that senior politicians can make such statements and not only expect to be, but are, taken seriously? Why has the policy focus shifted successively over the last 20 years from the arts and crafts to the cultural industries and then to the creative industries? And why have the aims of public policy shifted from the support and regulation of the arts and media for essentially cultural and market failure reasons to one of supporting, for economic policy reasons, the growth of a global industry? Once we supported culture out of the public purse because it was argued the market would not provide these merit goods. Now we are betting Britain’s future prosperity on global market success. What if anything has changed?

To answer these questions I will undertake two levels of analysis. First I will outline what an economic analysis tells us about the production, dissemination and consumption of symbolic goods and services under capitalist conditions. The broad argument here is that far from the production, dissemination and consumption of culture being easily subsumed into the capitalist mode of production, the inherent
characteristics of immaterial cultural labour make the normal model, of rationalised wage labour and enhanced productivity through capital deepening, problematic; while at the same time the inherent characteristics of symbolic goods make realisation through commodity exchange problematic. The structure and dynamics of the cultural industry sector is largely explained historically by responses to these problems.

My second level of analysis involves the question of whether and if so to what extent the economic lessons learnt in the cultural sector can be applied more widely across the economy. My general answer will be that the analysis of the cultural sector highlights two increasingly central economic problems. First the productivity of immaterial labour, a problem that in my judgement has in fact been the main driver of economic policy in the advanced economies since the 1970’s. Second the undermining of price as a mechanism of economic co-ordination.

I will argue in particular that the shift in policy terminology from cultural industries to creative industries signals the absorption of cultural policy within a wider trend in economic policy focussed on the so-called information economy, Schumpeterian innovation and the search for globally competitive national systems of innovation within a broad theory of endogenous growth; That the use of the term creative disguises very different concepts of innovation and its economic effects. And that the policy is doomed to failure because the cultural sector is ill suited to take on the burdens assigned to it; namely taking over from the ICT industries, the failed champions of the previous wave of information economy thinking, as the engine of economic growth, the key source of growth in employment and export earnings.
Let me now turn to what we can learn from a political economy of the cultural industries.

It is entirely appropriate that this lecture should be the first of the Ruskin Annual Lectures, for it was Ruskin who largely founded in Britain the tradition of thought that later became known as the political economy of culture. That is to say he confronted head on the question of the impact of the capitalist mode of production on the quality of the arts and crafts. His views, as transmitted in particular through William Morris, retained their profound influence on arts policy thinking of both Right and Left in Britain up until the 1980s. This in my judgement was unfortunate because his position, for all the brilliance and passion of his presentation, was nostalgic, not to say reactionary. He believed that capitalism destroyed the basis of healthy art by destroying the craft labour that underpinned it by and by producing an industrial proletariat so reduced mentally and spiritually by factory labour as to be incapable of responding to higher artistic and intellectual values. Thus his influence led to a deep seated and elitist disregard for popular culture and its public. It also led more perniciously to a view that culture and the market, culture and economics were inherently incompatible and thus that to take the economics of culture seriously was itself a sign of philistinism and a giving in to capitalist values. This view is still powerfully present among too many cultural workers and public cultural apparatchiks. Not to mention what passes for the Left in general with its simple-minded demonology of the market. It is a position that I entirely reject. It in particular forgets the dialectical nature of capitalist development and, as Marx himself stressed,
the huge cultural advances - the expansion first of literacy and then of access to an incomparable range of cultural forms - made possible by the development of capitalism more generally and by the industrialisation of culture in particular.

It can be said however that the process by which cultural production, distribution and consumption were incorporated within capitalist commodity exchange were by no means unproblematic. That the institutional arrangements we have come to call the cultural industries were the concrete historical response to the special problems of creating viable and sustainable value chains in the production, distribution and consumption of immaterial values. These problems were focussed on the nature and organisation of immaterial or intellectual labour. What have been referred to variously as cultural, creative or information workers. And on the special difficulties of commoditising immaterial or symbolic goods and services.

Let me look first at cultural labour. Its formation is, as we have seen, central to the Creative Industries Strategy. The creative labour power required to produce expressive value cannot be alienated or routinised, because it is embedded and cannot be codified. In particular no stable relationship can be established between either quantity or quality of labour input and quantity or quality of output. The concepts of efficiency and the production function that have been so central to both industrial economics and management thinking have no meaning. When linked to the characteristics of the immaterial commodity to which I will turn in a minute, this produces inherent and unresolvable problems of remuneration; and relations of production bedeviled by the principle/agent problem. Far from the rationalization and alienation of cultural labour as wage labour under industrial conditions that early
cultural industry analysts assumed, the sector is characterized by the survival of older relations of craft production and the sub-contracting of key ‘creative’ inputs governed by complex contractual relations over intellectual property involving difficult calculations of the trade-off between sunk investment and risk. This has tended to produce the inflation of what are labour intensive production costs and a star system of remuneration. Current debate over the salaries paid to star presenters by the BBC as also the bonuses paid to bankers or the wages of Premier league footballers all illustrate the pervasiveness of this problem. The star system arises from the impossibility of making a trade off between quality and price. In win or lose situations such as football or a legal trial or a medical intervention you want the best who is by definition a monopoly supplier.

The impossibility of alienating cultural labour makes the problem of labour productivity central. Since I believe that this problem is also now central to economic policy thinking more generally in developed capitalist economies it is worth our attention. As William Baumol long ago pointed out the cultural sector cannot create the large gains in labour productivity through capital deepening that have driven capitalist growth and rising standards of living. There is no room for labour saving efficiency in the production of a Shakespeare play or the performance of a Mozart quartet and the concept does not even have any meaning in the production of a novel or a painting. This meant according to Baumol that the relative cost of culture would inevitably rise and thus for Baumol public subsidies must rise also. For Baumol this was both desirable and affordable as society got richer. This is important for current cultural policy debate because much of the creative industry policy is based upon an assumption of the cultural sector as a dynamic real growth sector, while in fact the
perceived growth is a nominal shift in household expenditure due to the relative price effect.

The productivity problem brings me to the nature of the cultural commodity. Or rather to the problem of commoditization of immaterial products and services. The immediate historical response to the productivity problem was the creation of the cultural industries as systems not of production but of reproduction. The harnessing of successive technologies of reproduction and distribution to mitigate the lack of labour productivity growth, and the falling costs of production that would result, through massive economies of scale in distribution. This then produced a sector where what is normally seen as production is closer to what in a normal manufacturing industry would be called R and D. It is the production of a prototype. With all the uncertainties that this involves. This is important because it is the high relative R and D spend that is used to justify the centrality of the creative industries in current economic policy thinking. I will return to this issue.

But this also means that the cultural sector is characterized by high fixed costs of production (what in the newspaper industry are called first copy costs) and low to zero marginal costs of reproduction and distribution that favour economies of scale, audience maximization and both horizontal and vertical integration.

These tendencies are reinforced by the nature of the cultural commodity. First demand is uncertain because information has to be new to be of any value which means that neither producers nor consumers can know in advance what they want. Thus the slogan ‘nobody knows’ coined to describe a key characteristic of the sector and the
high risk of investment in a sector where a small proportion of hits pays for the large number of flops. Among other things this has led to marketing costs being an ever higher proportion of total costs. In such a market the price of survival is economies of scope. This takes two forms both favouring oligopoly. The creation of a catalogue ie a wide range of products launched onto the market to ensure a sufficient number of the random hits; Or bundling where a packet of products are bundled into a service such as a TV channel or newspaper in the hope that there will be something there for enough people to think it worthwhile paying the subscription.

The low marginal costs plus the non-rival nature of consumption- my reading a book in no way stops anyone else reading the same book - gives cultural goods and services many of the characteristics of a public good. In particular they make the system inherently leaky, with the free –rider problems that result, and reinforce a general unwillingness of consumers to pay. The problem of so-called piracy was not created by the internet. From a welfare perspective this leads to chronic underconsumption and justifies both subsides and regulation. In addition it has lead to both the creation of copyright – the enforcement by the state of a monopoly property right – and to the creation of indirect means of finance, in particular and crucially advertising where the product sold is audiences to advertisers not cultural products to audiences.

Finally cultural products are indivisible. You can choose to consume more or less television, buy more or less books, but you cannot choose to buy only part of a book or part of a TV programme. The consumption of the expressive value of a given cultural product is all or nothing. When linked to uncertainty of demand this means
there is an endemic problem of pricing. You cannot price based on a stable relationship between costs of production and realizable demand to achieve some given rate of return. But nor can you price discriminate in order to satisfy market niches with different price/quality trade-offs. Nor can the consumer send pricing signals. The result has been either indirect forms of finance or very crude pricing by genre. This is well illustrated by the fact in what one would think was a highly specialist and aesthetically driven market, the market for paintings, paintings are in general priced according to size and materials used. For any given artists a large picture is more expensive than a small picture and an oil on canvas than a watercolour on paper.

The result of all this is that what ever one thinks of the market mechanism and the model of supply and demand curves, production function etc it cannot be made to work in the cultural sector. There are simply no sufficiently stable and thus calculable relations between costs, prices and quality to drive either rises in productivity, improvements in quality or better satisfaction of demand. The question I want to raise this evening is whether that does not apply across ever greater swathes of the economy and, if so, what types of analysis are needed to guide both management and policy. To signal one example we can come back to – current debates over NHS funding and organization are in part structured round notions of productivity and the changing measures of productivity sponsored by Gordon Brown’s Treasury to supposedly measure more adequately the returns to NHS investment.

A key response to the realization problem was the development of indirect methods of payment, principally advertising. The product sold is not the information good or
services to final consumers but audiences to advertisers. This has produced two problems. The first is the classic problem of joint production. The second the de-linkage of supply and demand for information products and services themselves, since consumers cannot signal their preferences by price directly though the market.

This relationship between the cultural industries and advertising highlights two problems. The first is that the structure and dynamics of the advertising market are quite different to those of final demand for cultural products. The first is determined by the business cycle and the strategies of production in general. The second by level of discretionary income, its pattern of expenditure and very importantly the availability of leisure time. There is a dangerous tendency to think of the cultural sector in terms of final demand and consumer tastes and preferences. Thus evidence of the growth of consumer expenditure and rise in proportion of household expenditure on such goods and services that are the ground for the claim that this is a dynamic growth sector globally which will fill the gap left by the decline of manufacturing. But in fact the major market for information goods and services, the major employment of information workers and the major growth has been within the production system itself not in final demand. This has one crucial consequence for my present analysis. I will return to this point but let me just signal here that behind the shift to a creative industries discourse is an over-riding concern with productivity and in particular productivity in services. The centrality of computer software to the definition of the Creative Industries, and the link between creative industry thinking and Information economy thinking, was the hope that ICTs would be the productivity enhancing technologies for services and in particular informational business services. Growth in the sector, however, and many recent studies seem to confirm this point,
point to a fall in business service productivity and thus, if anything, an increase in the inefficiencies of the production system that the general rise in information work has evidenced. Contrary to Bill Gates the economy seems to be becoming more frictional not less.

The final important aspect of the market for cultural goods and services to which I will point is that they are experience goods on which the consumer necessarily spends not just money but an unavoidable period of time. Indeed the key scarcity in this market is not the goods or consumer income but the consumption time. These goods and services and the technologies upon which they rest are thus time users not time savers. Thus the growth of these industries was closely linked to the expansion not so much of incomes as of leisure time. The bad news for those banking on a new wave of dynamic growth in the sector is that not only can much of the competitive activity in the sector be seen as a zero sum game for saturated consumer time – a larger number of goods and services are chasing a share of a reduced time window. The long cyclical decline in working hours experienced in advanced economies has gone into reverse – in part itself probably linked to the service productivity problem. Moreover the observed shift in the patterns of household expenditure would appear to benefit either immediate, non-reproducible services, especially tourism, or communication itself where the users themselves supply the content, whether a telephone conversation, a text message, e-mails, a blog or a video on You tube.

This leads me to the link within the political economy of culture between the cultural producing industries and communication networks. As I have said the major cultural industries are reproduction industries exploiting economies of scale and scope through
control of or control of access to distribution networks. The ultimate development of
this process for centralised point-to-multipoint was satellite broadcasting which in
principle reaches a global audience instantly at zero marginal cost for each extra
viewer/listener. This process has now been extended for switched point-to-point to the
Web, although it should be noted because it is often forgotten, that in a switched
system like the web the marginal costs are far from zero and it is not an economically
efficient form for mass distribution. It can only be made to seem so by making itself a
hidden parasite on other network users.

But the essential point remains. Cultural industries are network based industries.
Historically for techno/economic reasons a split developed between specialized point
to multi point networks each delivering a range of cultural goods and service as
rapidly as possible to as wide an audience as possible. Rapidity was important
because it was a way of getting round the leakiness of the system and free loading.
Here the relationship between cultural products and network access was crucial and
whoever controlled the network gateway could extract a rent or toll even if they
themselves did not produce the content.

Alongside these point to point networks there developed switched point to point
telecommunication networks selling pure connectivity. Because such networks are
selling inter-connectivity their value to users increases exponentially with each
additional user. Thus absent countervailing regulation their rapidly develops a tipping
point where the dominant network becomes a de facto natural monopoly. The
economics of such networks are based upon traffic concentration. Networks are
designed and priced in order to ensure maximum shared use of the high sunk and
fixed costs of the network facilities. Because of the high proportion of fixed, sunk, common costs the most rational pricing system is a flat rate rental. In essence the technical development associated with digitalisation and particularly with packet switching that started in the late 1970s and culminated in the Web we have today radically lowered the costs of transmission (thus removing the distance cost constraint and providing one of the key building blocks for the current wave of globalisation) and the costs of aggregation – a wider range of traffic types could be concentrated on the core network.

The purpose of outlining this story is two fold. A) The creative industries policy discourse and the economic analysis underpinning it is a replacement and continuation of the policy discourse focussed on telecommunications networks, the Web and ICTs of the early 2000s. Within this policy discourse it was the provision of high capacity broadband networks that was to be the driver of growth and enhanced productivity and the policy problem was how to combine a regulatory policy that favoured competitive innovation with one that provided incentives for network investment. B) The major changes in cultural industry strategies and regulation over the last 20 years derive in whole or in party from these changes to telecommunications networks. On the one side the control over network access that underpinned the business model of the cultural industries was threatened by the development of alternative, more flexible multi-purpose networks. On the other side telecom operators were investing in networks with ever higher capacity and high fixed costs in a context of network competition and thus were in search of remunerative traffic. Hence the continuing effort around alternative ways of profitably delivering video services – video is a great eater of bandwidth. In this context the slogan Content
is King was coined and the notion of a Killer application invented. The argument rapidly adopted by the cultural industries was that as mere interconnectivity was rapidly commoditised it was the value-added of content that would drive the growth of network revenues and attract customers in a battle between networks. Unfortunately for the cultural industries it has been continually shown that content is not king. What end users will pay for is connectivity delivered in the way which is most convenient for them. Hence the attraction of mobility. Expenditure on connectivity and the necessary terminals and software far outweigh expenditure on cultural goods and services, however delivered. What we see at the moment therefore is the undermining of the business model in the press, the music industry and possibly in film and broadcasting by the Web and the attempt to negotiate from a position of weakness the terms of content usage by web based services. But this has merely transferred the problem of realisation to Web service providers and raised a huge question mark as to how cultural production will be financed.

Let me now turn to the concept of the creative industries, the economic thinking that lies behind its adoption as a central policy concept and the likely success of policies based upon it.

The economic thinking that has resulted in the focus on creative industries has a long history. In the UK a history of a series of economic analyses and policy responses to the perceived relative decline of the UK economy and of its manufacturing and export base. More widely an attempt to understand and respond to the shift from manufacturing to services and the role of what came to be formulated as information and information workers in that process. This strand in policy thinking has since I
would argue the early 1980s modulated in to what has come to be called Information economy thinking focused on ICTs as the engines of the Information revolution, on the development of human capital and on Schumpeterian innovation as the driver of growth and the creator of competitive advantage.

My core argument here is that the use of the term ‘creative’ rather than cultural is a shorthand reference to the Information Economy and to that set of economic analyses and policy arguments that attach to it. It is an attempt by the cultural sector and the cultural policy community to share in its relationship with Government and in policy presentations in the media, the unquestioned prestige that now attaches to the concept of the Information Economy and to any policy that supposedly favours its development. In particular it is a response to the dominance within the Brownite Treasury of endogenous growth theory based around Schumpeterian innovation and innovation systems theory and its redefinition of public expenditure as investment and of what used to be called industrial policy, within that framework.

A range of analyses in economics and economic sociology have fed into Information Economy thinking. For the purpose here of examining the problematic nature of Creative Industries policy I will focus on two. The role of innovation and the role of human capital.

Let me start with innovation. As I have already explained innovation is indeed central to the cultural industries. And it is not therefore surprising that government reports can cite the high levels of R and D expenditure within cultural sector firms, a key positive indicator within Schumpeterian innovation system thinking. The problem is
that this innovation is not, in my judgement, Schumpeterian innovation. I am sure for this audience I do not need to go in any detail into Schumpeterian theory. But what is crucial is that for Schumpeter innovation was a way of escaping from price driven competition and the associated drive for cost saving efficiency in production by creating through innovation new monopoly markets and thus above average returns. Crucially innovation could not by definition be preplanned, would not be fostered by existing dominant firms and its success could only be tested by the market. Innovation in the cultural sector is simply not of this type. There is no price competition driving lowest cost production and more importantly it does not create sustainable monopoly markets. Precisely because the process of innovation is constant. In the cultural sector the creative destruction of the innovation process is internal to the very innovation process itself. This why, although the cultural sector is indeed characterised by large numbers of small ‘creative’ firms (another key indicator of a healthy innovation system). These firms do not and cannot grow, on the bases of their innovations, into market dominating global giants on the Schumpeterian lines of Microsoft or Google, despite repeated claims that this is one of the aims of government policy.

Let me now turn to the question of human capital or creative labour. One of the things I find most distasteful about the ‘creative’industries discourse is the attempt by cultural sector workers to claim for themselves uniquely possession of creativity. It is of course, as Marx among others stressed, a general attribute of human labour. The question for political economy has always been how that creativity is developed channelled, socially used and its value appropriated and distributed. Underlying policy debates about creative labour lie three key arguments. A) The Post-Industrial argument that as capitalism develops power shifts from physical capital to human
capital above all in the form of scientific knowledge. Here the key information workers are scientists and technologists and the key sites universities and research laboratories. These Information workers have power, it is argued, because human capital is embedded and cannot be expropriated. B) That because of the importance of the application of embedded human capital advanced economies could compete successfully with low wage economies because the human capital was not easily either transferable or copyable. Thus economic competitiveness was seen to rest on systems of human capital formation – training and education C) That precisely because the products of human capital could not be expropriated nor its performance well incentivised or controlled by the market the optimisation of the creative process of innovation required public support.

This has led to a general emphasis on public support for education and training especially higher education and for research. There are in fact serious questions as to whether in fact there is much relationship between such investment and the performance of the economy. But what is indubitably the case is that once governments try to plan at a lower level of detail failure is almost guaranteed. Attempts to link training and education to personpower planning are always after the event. While there is a case to be made for improving the links between public sector research and its commercialisation through the market there is none on economic grounds, at least within the current Schumpeterian policy framework, for trying to pick sectors or areas of research for prioritisation. Within current creative industries policy however we find two proposition which any serious examination shows to be absurd. The first is that support for training is necessary because it is the shortage of skilled creative workers that undermines the UKs competitive position in the global
market for cultural goods and services as though the US dominance of the global film
industry was based on superior specialised education and training, that the health of
the British novel and British publishing industry depended on creative writing courses
and that there was not good evidence of high levels of underemployment among the
trained creatives already on the labour market. It is I suppose an improvement on the
argument that the UK has a comparative advantage on the global cultural economy
because we are especially creative. The second proposition is even more absurd.
Namely that we need more culture on the curriculum from primary education onwards
not primarily for the very good reason that it might give pupils pleasure and expand
their horizons but because it will help to form the creative workers that our innovatory
Schumpeterian economy requires. Dream on.

Those in higher education have been less critical of these policy developments and of
the arguments underlying them than they should have been because of course they
stand to benefit. From one perspective the education sector is the largest of the
cultural industries and certainly the largest of the creative industries and the largest
employer of Information workers. The problems that bedevil the cultural sector also
bedevil education. The recent expansion of higher education as well as its persistent
underfunding can both be understood within this broad policy context. It thus behoves
academic economists to pay special attention to the problems I have outlined

In conclusion I have argued that a political economic analysis of the cultural sector
can provide us with a critical purchase on current attempts to incorporate cultural
policy under the banner of Creative industries within national economic policy. But it
can also at the same time illuminate problems of wider economic significance; in
particular the problems posed by the incorporation of immaterial labour into a
capitalist market system and above all the problem of productivity associated with it;
and the problems of commodification of immaterial goods and services. These
problems are in my view more pressing in the delivery of health and education than
they are in the cultural sector. So perhaps it is now in that direction that we should
take the debate.