

The Challenge of Governance in the Creative and Cultural Industries¹

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Introduction

The aim of this paper is to provide a survey of the cultural economy, that is the relationship between culture and the economy. We often think of culture and economy as separate domains, each not to be polluted by the other. In practice, I will argue, the two are inextricably linked through practice. Moreover, we commonly think of economy and culture as fixed in some way, however, once again our experience is that they are endlessly mutable. My theme is that culture, and particularly cultural production – the making of culture – has been transformed in recent years (it is always being transformed, but I only want to focus on the last 50 years, and it is this period that does seem to have moved cultural production onto a new level).

If we accept these points of view, then I think we must also accept another consequence, or rather a challenge: that of re-thinking our relationship to culture; in particular what I want to argue is that our collective relationship to culture – that is the domain of public policy – needs to change even if we are to engage with culture in the same ways as before, let alone exploring new ways. Business as usual is not an option. Of course culture is a broad canvas, I want to focus my attention of that area referred to as the cultural and creative industries – I'll clarify what I mean by the cultural and creative industries below. So, in brief, culture

1 An earlier version of this paper was given at the 50th anniversary lecture of the Gulbenkian Foundation.

is changing, and culture's 'tentacles' seemingly embrace all areas of our lives today. Aside from an expanded and transformed cultural domain, we can point to the economic dimensions of cultural production – here we can point to the power of the film industry and Hollywood (Wasko 2003); however, we can point to the 'new kid on the block' - the computer games industry – which is bigger in economic terms than the film industry, worth 7 billion dollars a year in sales, and growing at 15 % per annum (Crandall/Sidak 2006).

This revealed massive economic role of the computer games industry is a rebuff to those who dismiss the cultural economy as mere entertainment, 'candyfloss', or in other ways not part of the 'real economy'. The computer games industry is merely the visible part of the iceberg that is the cultural economy. As I will point out below, the cultural economy is bigger in scale than many traditional elements of 'the economy'. This fact matters for at least three reasons. First, the cultural economy is becoming a driving force in many urban and regional economies, in London it is the third largest sector of employment (GLA Economics, 2002).

Second, national and local governments have traditionally sought to govern major motors of their economies to facilitate growth. No such role is played in relation to the cultural and creative economy, leaving economies open to considerable risk and the potential of losing the benefits of vibrant cultural economies.

Third, underpinning both points is the fact that we lack an evidence base and sound understanding of the cultural economy. We can illustrate this by returning to the case of the computer game industry. The industry is hardly twenty years old, up to five years ago it was not even classified as an industry in the US Business Census (nor in Europe). In effect, the industry did not officially exist, and politicians and policy makers felt comfortable ignoring it, yet in fact it was a major driver of regional and national economies. This is not a mistake that we can afford to make in relation to the rest of the cultural sector.

Culture also finds its way into social and community policy: we have all heard about art being used to rehabilitate the excluded, or as a means of social engagement – and, it does work; even businesses recognise the role of culture in team building. Traditionally culture has come onto the state agenda in the guise of censorship, or as it is more politely called these days, regulation. However, with the rise of the economic power of the media for example there are also debates about monopolies and competition policy. The relationship between the regulation and competition policy is a difficult one. Finally, in this brief list, I would like to point to one area that I am particularly concerned with that is the

spatiality of culture. In particular, the location of cultural facilities and production has consequences for access and participation, as well as the sometimes-considerable economic benefits of either Hollywood, or Bilbao.

The conceptual lens that I want to use to help us navigate these shifts is threefold: we need to examine the concept of culture, the making of culture, and the governance of culture; individually and in relation to one another. In effect, we need to find a new settlement or balance between them. Alongside this analysis I want us to keep in mind two other tensions. First, the tension of production and consumption – whilst we traditionally seem these as a dualism, I want to encourage us to think of them as a co-construction, a duality. Second, as I have already mentioned I want to suggest a similar perspective on culture and economy. In particular I want to flag up the subtle differences between the ‘adjectival’ *cultural* economy, and the ‘noun’ *cultural economy*. The former is the ‘culturalisation thesis’ where we argue that everything has become cultural (or the obverse, everything has become economic). The second, which I feel is more useful, is the focus on those activities that constitute cultural production (and this consumption, distribution, etc.). More of this later.

Traditional Formations

In this section I want to introduce the notion of the Concept-Making-Governing in the cultural sector as applied to the empirical conditions in Europe in the mid-late 20th century. My purpose in choosing this schema is to resist the dualisms of public-private, state-market, high-low culture, culture-not culture. Which, whilst they do have empirical validity, are rooted in particular times and places, and hence less helpful for trans-historical and international work. I will try to challenge the usual dualistic conceptions of culture with a 3-way tension.

Concept

It is important to know what we are debating, and what assumptions we bring with us. We begin with the easy question, what is culture? Whilst there is a small library devoted to this topic and the very word is multiply contested I think that one way of cutting into this Gordian knot is via the idealist, naturalistic and sacred. This is a particularly dominant social formation of culture, one that has been influential in policy debates, it characterises culture as removed from the everyday, mundane and functional and elevates it to its own level – for some almost equivalent to a

deity. Culture is 'over there' as some critics have put it this is a 'super-organic' conception; one that exists, beyond us, and one that if suitably prepared we may access in awe and wonder.

More specifically, there is considerable debate about the last point, our relation to culture (and it is important to this paper in the sense that we want to think about how culture is produced, or re-produced). Writers from the Frankfurt school, especially Adorno (1991), created a powerful argument about the relation that we might have to art and culture, by mobilising the notion of the 'aura' of a piece of art. Adorno is of course the progenitor of the term the 'culture industry' that he so dis-tained (because of its mass production and loss of aura).

Here we can see the roots of the rejection of mass production, the opposition of the economic and the aesthetic that have come to codify the European and an international tradition in culture. I just want to raise the question of how aesthetic values are created, or where the hierarchies come from. They may be naturalised, and/or coincide with institutional power and authority (commonly academics/curators). Second, I want to point to the implicit notion of absolute values of art and culture (like the economic, but in a separate realm).

This point deserves a whole chapter to itself; however, we must be content with a few sketches here. At first sight – and in normative analyses – the 'object' of cultural policy is very difficult to define. It has two dimensions. First, the identification or definition of cultural value; second, the translation of that value into common terms/language that facilitates comparison across a variety of cultural (and non-cultural) forms and activities. Traditionally, such a mechanism facilitates allocation of resources. My point here is that the normative approach rests upon a third problem: the assumption that cultural value is absolute, unchangeable and universal. There is a body of research on this, perhaps best represented by Bourdieu's (1979, 1993) work. In summary he points to the recursive social construction of the field and the object (or, art and the audience, or again, production and consumption). Bourdieu argues that cultural value is created, and maintained, by – in his view – the education system. Regardless of whether ones accepts or rejects Bourdieu's analysis his approach offers a fatal blow to the tenet that there are universal or stable values to art. Logically, it follows that the problem of governance is catapulted from a technocratic issue off stage, to central stage in the political realm and policy making. I argue that this should lead us to explore a democratic modality for planning and policy legitimation. Moreover, that there is ample role, even a significant need, for the 'creation' or shaping of demand as there is in supply. An alternative way to characterise culture draws more upon a materialist frame of ref-

erence, that stresses the anthropological making and re-making of culture; culture as ordinary, and in effect culture as profane rather than sacred. It is this source that I think is more helpful in guiding current discussions. However, the point I want to stress is that (and I have simplified it a lot) when we argue about culture we adopt a number of different points of departure, and as often as not we do not argue over the same things; or, the policy and the concepts are out of sync.

Making

Within the idealistic tradition of thinking about culture, one that I would argue has been dominant (although not universal) in the mid/late 20th century, the conception of what an artist, or a 'maker' is, is shaped in a particular manner.

The classic mid-20th century model is of the artist as individual genius often located in isolation from society who produces great art. Whilst artists have natural talents they have to be honed, through training, and then internalised as demonstrated by discipline and a technique. The artist has a sensibility that is trained through a knowledge and familiarity with the artistic canon. Such a conception focuses upon the support of the artist, so that they can lead an ascetic life free from pressures of money; hence the common state grant system. Later, state funded training, and support for exhibition/performance. So, we have the construction of an artist, and in part a governance system. Such a governance system became fully fledged when coupled with the discipline of economics.

Governing

It follows from the 'super-organic' conception of arts and culture that it is a 'good thing'; many critics have extended the notion to an essential component of humanity (especially when coupled with notions of civilising restraint), or to various ideas of transcendence. We can note that in the development of the modern state, education takes on a central role; it is no surprise that much of the growth of, for example, museums and galleries owe their existence to an educational agenda. However, there is not space to explore these debates, or those associated with nationalism and colonialism here.

I want to point to one critical technology of government that has shaped these broader concerns, and delivered a mechanism and rationale for cultural funding beyond mere pleading for a protection of 'the good life'. The rationale provided by welfare economics is that of public

goods and market failure. I do not want to go into detail about this here, suffice to say that the result of market forces is an under-provision of certain types of cultural goods; thus, the state has to step in to provide them to maintain the public good. Added to this is a more precise argument specific to the arts referred to as Baumol's (Baumol/Bowen 1966) cost disease. This states that a performance of a string quartet cannot achieve efficiency gains of time saving, or labour saving, however, labour costs rise; thus live music becomes more and more uneconomic, and thus needs subsidy. If we add the notion of the corruption of culture by the masses, and cultural elitism as well as the attempt to develop cultural hegemony to reinforce nation building we have a strong combination.

Such an argument underpins what we might recognise as cultural policy in the mid-20th century. However, it also has its own inherent weaknesses in dealing with changes in cultural expression and form. Moreover, being linked to state budgets and therefore in competition with other services like, the military, or health, culture tends to lose out. As we will note, state culture budgets are subject to variation and uncertainty, which makes cultural sustainability precarious. Added to this is a politicised and idiosyncratic definition of which cultural forms and practices 'deserve' support. We can note that by definition the arts and culture are separate from commercial culture (despite evidence to the contrary). Finally, we can note that such a formation tends to a very staid, or conservative, view of culture that is backward looking, reverential and not dynamic.

The point of the remainder of this paper is that whilst such a formation of concept-making-governing created a consensus. Language and technology of governance (that is the relationship between the three components), it must necessarily be situated within a particular formation of economy, culture and the state. If, as I will argue, these three forces are themselves being transformed then the cultural formation is destabilised. In the next section I want to illustrate some of the forces of destabilisation; then I will follow with a 'new settlement' of concept-making-governance that is underpinning current trends in cultural policy. Finally, I will discuss the further challenges that we face in this field.

The Forces of Change

In this section I want to outline some of the forces of change that have upset the old settlement; my point is that the change is not simply a matter of degree, but that it is transformative. As such ‘business as usual’ in the policy field is not possible (even if we only seek to preserve the status quo). I want to look at three forces (economy, culture, state); of course, these are not autonomous from one another or from society as a whole. However, for the purposes of argument we can focus on these manifestations of forces.

Economy

It is a familiar story to us all that the economic foundations of societies are shifting – they always do. In particular I want to focus on the decline of manufacturing industry in Europe, its migration to the global South; and the concentration of the service sector in the global North, moreover, the development and growing technical division of labour – the expansion of activities as well as the absolute numbers of people involved and goods and services produced.

As manufacturing activities have either grown absolutely smaller due to technological substitution, or migrated to lower cost labour locations, so the development of product differentiation has occurred. Thus, when Ford produced the ‘Model T’ it was *one* model, in *one* colour. Now few consumers seem happy unless a product is available in a multitude of colours, materials and designs. One advantage for producers is that they can sell the same product more than once to a consumer, and another is that they can charge a premium for designer/quality goods. Thus, there has been a huge growth in what we might generally call design or customisation of products; moreover, as we can see from products like Apple’s iPod, design may drive production and market share. Thus we can see how one new source of what business strategists and economists call ‘competitive advantage’ is creativity, or what we might more generally call innovation.

Accordingly, there have opened up many new opportunities for creative inputs to products. Thus, a larger proportion of manufacturing related activities are beholden to the creative economy. As we will see in moment consumer spending has also grown in this sphere; a critical aspect of consumer spending is that it is associated with youth, and a range of concerns about identity and culture. The birth/branding of the teenager was the start of a long boom that has continued to this day. The key shift is that cultural products once the realm of ‘one offs’ and ‘live per-

formance' are now readily reproducible millions of times (for the same economic input); this has led to a huge growth of cultural and creative industry producers (as we'll see later).

Production in the whole economy has become more extensive, production occurs in networks that do not simply link a few buildings and a factory, or a region, but across nations and the globe: globalisation. As I have already mentioned, one driver has been cost reductions. Initially locations in the world would compete for a branch plant, offering subsidies. Now, the global North, or global cities compete for the head offices of corporations. The tool for such competition is the 'unique selling proposition'; what could be more unique than heritage and culture, that is except when it's a modern art gallery in an old power station located by a river with a nice bridge across.

So, cultural consumption is the new honey pot to attract investor bees; a variation of this is the notion of the creative class (Florida 2002), that is not creative workers, but those who like to be around artists, whom city boosters think will attract they key labour, and which will be the magnet to attract high tech industry. As I'll point out later, this is a case of culture being used instrumentally to achieve other ends; moreover, it does not address the question of investment in cultural production.

An illustration of the scope of such changes is difficult, as I'll discuss more fully in a moment, as by definition most of these activities and goods are new, and thus they are missed by census makers and statisticians; they are quite literally invisible. Despite a number of caveats we can offer some measures of these industries, although more work needs doing to make them more precise. A recent survey carried out for the European Commission (Kea European Affairs 2006) for example shows on average 3.1 % of the working population in this sector, and 2.6 % of European GDP, on a turnover of 654 Billion Euro; some countries such as the UK and Germany are way above these figures. Whilst, these figures may seem small when compared with those staples of the 'real economy' such as motor manufacture, textiles and chemicals looks small (See Figure 1).

Figure 1: The Cultural and creative sector in Europe (2002)

Sector	NACE classification	Persons employed (1,000)	Number of Enterprises
Manufacture of motor vehicles	34	2,163	160,834
Chemical industries	24	1,929	31,421
Creative industries	N/A	6,420	1,394,162
Manufacture of electricity, gas, etc.	40	1,181	14,880
Manufacture of machinery	29	3,527	162,257

Source: KEA European Affairs (2006)

As I have mentioned, hard data on key indicators is a tricky area, one that we are currently devoting much work to, so, comparisons outside of Europe are still patchy. However, as an indication we can look at the contribution to GDP in a variety of countries; we can see that Europe is not alone in this phenomena. I am not here to explain or explore this phenomena today; what I would point out – and will touch on again later – is the uneven spatial distribution of the gains from the cultural and creative industries, both across nations, and within them, and even between cities and regions

Culture

Culture has changed in a wide variety of ways. In a most obvious way we can see that cultural forms are constantly developing and changing. Noticeably, this process is accelerated and intensified through feedback and critique. Thus, the development of various markets, or schools of cultural criticism has driven the development of forms, and the expansion of new forms. One of the key elements of culture centred on the developed world is that parts of culture have become traded, or marketised. As noted, already, hand in hand with mass production and mass consumption this has led to huge demand for cultural goods and services. As I mentioned, new consumers (younger) are constantly drawn in, as is the rate of turnover of fashion/values or taste.

We can find some evidence of this shift in statistics on household spending patterns As a whole developed societies are getting richer (although not more equal), and a greater proportion of spending is being directed to cultural goods and services. Whilst there are international contrasts; the growth and scale is significant. I haven't got time to explore the participation rates and time spent on cultural activities, but this would be another piece of evidence to add to the picture.

As noted above, culture is changing; perhaps an emblematic debate has been that of high versus low culture that resonates through many societies. This debate has become more complex in that it used to map onto state funded and market provided; however, this division has been eroded, as has the certainty of which categories particular art forms fall into: these categories are not 'eternal' but historically and culturally specific; for example, Adorno cast photography, jazz and film to 'low' culture. Whilst one may have sympathy with the argument that 'true value' is not captured by economic prices; it does not follow that if something has a price then it has no cultural value. The negotiation of this 'grey' area of cultural and economic values is clearly problematic (and carries with it much baggage of old debates), and as such it provides policy makers with less and less guidance as to which cultural forms to support, or not; let alone how. When classical music is selling CDs and on commercial radio, and commercial concerts is there a need for public support? How should it be justified when market failure appears not to be present? I think that this is dangerous territory; we need to navigate these areas very carefully. Increasingly we can note that cultural activities can be found across a number of boundaries: cultural and creative, commercial and non-commercial, formal and informal economies, and across production and consumption. As noted above this last point is a critical change away from the producer creating a product and placing it on sale then hoping to convince the customer that they need it. Now, we see an intense short-circuit and feedback between production and consumers with so called 'cool hunters', urban anthropologists feeding back the street to designers (Quart 2003).

State

The third of our three realms of empirical change is the state itself; as we are all aware the notion and role of the state has changed much in the last 50 years from a high point of social welfare to the current engagement with the minimal state of neo-liberalism. We have seen state spending fall as a whole, and much concern by politicians of all shades to examine a much smaller state, either from ideological terms, or simply as a way of responding to a shortage of money. In these circumstances it is not surprising to see the fact that the arts and culture budget is one that is easily cut, compared, for example to education or health – although in many states they have suffered as well.

In such a shift we can see changing modes of resource allocation, and a move to 'value for money' evaluation. Again, in standard terms culture is always going to loose. This is perhaps why there has been

such an upsurge of interest in finding other rationales for the support for culture, and the expansion of instrumentalism arguments for the existence of culture. I feel that some of these arguments still need development; they certainly need to be based on more robust evidence either statistical or explanatory. The sad fact is that although we have now begun to recognise the role that both the cultural economy, and the contribution of culture to social improvement in direct and indirect ways, we still only have a very partial understanding of what constitutes the cultural economy, and how it works, and what its relationship to the rest of economy and society is. The following section develops this argument showing how a re-appraisal of concepts, making and governance can be developed.

Re-defining ‘Concept-making-governing’

Reconceptualising Culture

One of the most important steps taken in recent years in this field has been the attempt to ‘measure’ the impact of culture on economy and society. Initially, the focus was on so-called secondary impacts, or economic multipliers. These modelled the ‘knock on’ effects of culture – seemingly admitting that adding a value label to culture was not possible (Throsby 2001). So, things like expenditure for hotels and restaurants were seen as a measure of cultural impacts. The key oversight here is that cultural production is not examined, and the only worth is considered to be consumption related (but even then disconnected with cultural production which is rendered invisible).

Thus the significance of the shift to primary measures of cultural activity; measures that included the makers and artists, but, and this is the critical point, they also considered the related activities and jobs needed to facilitate cultural production. Just as one would not evaluate the contribution of the car industry from counting its sales staff; or, one would not evaluate the contribution of the film industry only through the star actors.

However, the argument goes further than this, it is concerned with all of the activities required to produce a cultural product or service. That involves what have been termed the depth of cultural production (that is the behind the scenes work), as well as the breadth – that is how widely one defines culture (Pratt 1997; Dcms 2003; Burns Owens Partnership, Pratt et al. 2006).

Empirically, what these approaches have sought to do is to capture the social and economic, the formal and informal, commercial, non-

commercial, as well as the production and consumption activities that constitute cultural production. Moreover, examining these processes, through the interlinked networks of production, has highlighted the international flows of cultural production (not simply the flow of exports), as well as the dramatic clustering, or co-location, of parts of these industries.

We have already seen examples of the output of these models, and the diagram here gives one a sense of the scope of activities under consideration to create a full picture and understanding of the cultural economy. As noted, much of the work so far has concentrated on traditional measures such as output, employment and occupation; little attention has been paid to processes. Of course a firm basis for policy making has to be rooted in an understanding of causes and process, so that the best intervention can be developed – to be effective and efficient.

Re-making Cultural Industries

There are three main characteristics shared by all cultural industries, as well as some non-cultural industries, and the manifestation of each is different by different industries that have different market structures: for example, computer games and the film industry, or the theatre.

The first is the general organisational form. Most of the cultural industries are dominated by a handful of major international corporations, and sitting below them are many thousands of ‘companies’, these companies are very small, indeed micro-enterprises comprising of self employed and 2-3 person business. There is a ‘missing middle’ or small and medium sized enterprises, which leads to some challenges in terms of co-ordination. On the other hand it develops a network, or rather an interdependent ‘ecosystem’ of companies that are constantly growing and evolving into other companies recycling knowledge, expertise and personnel. Like any ecosystem it is delicately balanced.

Second, is the work process. As already suggested the ‘life’ of products and projects to create them, and the firms that produce them, are short: a matter of weeks or months. These ‘firms’ are constantly recycling and evolving; they constitute a whole sector of the economy that has a ‘project based’ form. As such, traditional analyses that treat the firm as a basic building block of analysis are not so helpful as those that see the more enduring ‘network’ or ‘institution’ as more salient. Once again, I can only sketch out some outline here, the richness of detail of organisation and practice would take all the time I have here today to relate.

Third, is the rapid turnover of products and sequence of multiple innovations required to sustain activity in the sector; added to which there is incredible uncertainty that when a product reaches a market, or an audience, that they will even like it. The critical element of timeliness is crucial. So is the act and co-ordination of market building through education or publicity. Hence, consumption feeds back into production and both are attenuated by micro-differences. However, success or failure depends on such differentiation as this is an industry where the winner takes all; coming second is really no good.

These characteristics, separately and in combination, are difficult to comprehend and fully understand, and, as I already mentioned they are subject to rapid change and variance across cultural industries. This really does create a substantial challenge for policy makers.

Re-making Governance

So, taking into account the changing contexts, cultural economy and concepts what is the future for cultural governance: a free market? To be sure, this is the concern of many; especially, in those states that have a long history of support for culture and have built substantial orchestras and art galleries, etc. My concern is that business as usual in policy terms will lead to the public sector having a dwindling control over spending, and over the operation of the cultural sector. Thus, in order to simply stand still we need to re-calibrate our response, and in some ways entirely change the way that we manage cultural activities. I'll come back to what are inevitably future challenges in my conclusion; what I want to cover briefly in this section concerns the current state of the art.

The current cultural policy field is rather limited; it has expanded upon its original remit in two areas. Crucially, whilst traditional cultural spending has declined, two new areas have become the new targets: First, instrumental policy aimed at using the feel good factor, or the actual capacity of the arts and culture, for 'regeneration': which might mean using a cultural quarter to regenerate a downtown, or peripheral estate; or, using art projects to improve social inclusion. Second, and perhaps most saliently, the use of arts and cultural facilities to attract inward investment/foreign direct investment into cities and regions.

The second field where cultural policy has expanded concerns the direct economic impacts of culture. Thus, measures of intellectual property rights, royalties, trade, and employment, as well as the impact of the rest of the economy are seen as key issues. This second field has the most to offer the cultural and creative sector; but as yet policy makers do not seem to have developed means and understandings of the workings

of the industries in order to devise policy. On one hand there is generic industrial policy, on the other hand censorship: few examples of dedicated policy exist. This is an area where more research could have a big impact.

One of the problems with this second area is that it is commonly identified solely with the commercial sector, and in opposition or competition for public funding with traditional arts and culture. This, I believe, is a mistake. Empirical observation tells us that one of the characteristics of many artists and cultural workers is a constant migration between the for-profit and the not-for-profit sectors. This, I would argue, needs to be central to our concerns rather than, as it is at present, missed by both.

Conclusion: Future Challenges

This paper represents a sketch of the challenges facing policy making in a new field, it complements other papers that I have written on the topic (Pratt 2005). In my conclusion I want to briefly raise a few challenges that the rise of the cultural industries, and the problems that those developing policies for them confront. First, I'll recap the argument: that cultural production has changed, so has the nature of culture and the role of the state. The old means of managing culture are no longer applicable; we need new ones. Moreover, an incremental shift, or business as usual will not suffice. Radical changes are needed – but what changes? I have argued that we need a fuller understanding of the cultural economy and how it operates in order to effectively govern it. The policy must go beyond instrumentalism, or simple subsidy, it requires an intelligent and nuanced policy approach, and moreover, it needs a new cadre of policy makers to implement it. Elsewhere I have argued that these 'intelligent agents' may need, like the industries that they intend to support or encourage, to be from the public and private sector, formal and informal economy: they need a very diverse and flexible approach one that will require the skills of a simultaneous translator skilled in the languages for art, culture and design, as well as politics, administration, economics and state budgets (Jeffcutt/Pratt 2002; Pratt 2004).

I have pointed to the increased questioning of old hierarchies and assumptions about cultural value and universalism; I have countered this with the idea of a situated (in time and place) democracy. Such a strategy presents a challenge to the old 'allocative' model of supply subsidy. It does not fall into the trap of suggesting that market allocation is best either. Instead it opens up a new field based upon a complex and medi-

ated interaction of 'supply and demand'/'production and consumption'/'artists and audiences'. It is this new agenda that I argue that we need to articulate to if we 'care' about arts and culture. Doing nothing is no longer an option. However, I do not underestimate the practical and institutional challenges that a re-framing of cultural governance in this way implies.

I will end this chapter with an oversight of some of the problems that will face this new agenda and policy community. As I have already mentioned, people and organisations who can work at the boundaries of the commercial and non-commercial, and are happy to move in and out of one or another. Second, state agencies will need trained and trusted individuals to broker these relations and policy – most likely some sort of third sector agency might work best. Third, we need to resolve our concern for and objectives of supporting culture. The old formulation, the one that I began the chapter with, plays into market failure; the new one is potentially simply a free market.

However, I also see another argument which depends upon a more subtle understanding of cultural production and cultural value making, one that is able to seem collectives and well as individuals, the role of the private individual as well as the society, the role of the instrumental as well as the 'arts for arts sake' perspective.

Fourth, regardless of policy making it does seem that we already have a huge cohort of workers in the cultural sector that are precarious or freelance labourers; they may, some of them, earn good money (some of the time) but they have no certainty. If we are to sustain livelihoods in this sphere we need to develop a compatible social welfare system that supports it, not one built upon the idea of male workers in a career for their working lives. Fifth, we need to recognise that we cannot all be 'winners' in the culture wars – as it is being played out with economic overtones some regions of the world are great gainers from this competition; many others losers.

Underpinning this is that fact that the cultural industries are massively dominated by a small number of companies who critically have control over what gets to audiences and markets. This poses a challenge to notions of cultural democracy and representation. Nowhere is this more evident in the developing world where the supposed 'level playing field' of Intellectual property rights (IPR) is working as a means to ensure that cultural producers cannot participate in profits; and of course create livelihoods, and economic and cultural wealth. However, this is a topic that must be the subject of another chapter.

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