

Baseline study of the cultural industries in an international context for Creative Compact

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A report commissioned by Comedia

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Introduction

Context of the study

For an area of such economic, political and social importance it may come as a surprise to discover that there is neither a comprehensive and commonly applied definition of the cultural industries, nor is there any international data, nor any form of comparative mechanism to contrast different experiences.

Without a doubt culture is increasingly important in the economic sphere. Some of the world's largest companies are cultural industries (AOL/Time Warner), in the future this is likely to grow so that cultural industries will dominate the world economy (with convergence between content, software and telecommunications).

There is a clear need to know more about this sector, its size, scale and form of operation. Local and regional bodies need to know how they are placed in an international economy, major economic and political players need to know about the development implications and the relative distribution of the industries if they are to regulate, or to de-regulate. Good, reliable data sets are a foundation of any study, as are an appreciation of the policies and practices already employed.

The aim of this study is to provide an international overview of the definition and collection of data on the cultural industries, as well as reviewing the range of policies that have been developed. It is not the objective to engage in a detailed analysis of the definitions, data, or policies, rather to provide an intelligent signpost and indication of their scope and key characteristics.

The topic of the cultural industries briefly emerged as a concern of UNESCO in the 1970/1980 period and a number of meetings and reports were commissioned. However, in the 1990s issues of heritage, identity and development have come to the fore. Given the emerging economic agenda it would seem to be an ideal time for the World Bank to consider this issue for two reasons. First, as issues of intellectual property become hotly contested issues at the WTO talks. Second, as the interplay between the commercial and the public in the realm of the cultural industries intensifies.

Overview of the study

The study is divided into four substantive sections. First some points are made about the concept of the cultural industries, this is followed by a discussion of various issues of operationalisation of the concept in the form of empirical measurements. Next, a section on the position of the cultural industries in the world economy discusses the context of local and national policies in the appropriate context. This leads onto substantive sections on measures of employment in the cultural industries and an overview of cultural industry policies. The aim is to create a structure for thinking about and evaluating the information base on cultural industries, attempts are made to give examples and best practice wherever possible.

The key point to bear in mind is that cultural industries and associated policies have been developed at the local and national level. No attempt has been made to create an international overview of the state of the sector. Indeed, due to the variety of concepts and definitions this is an extremely problematic idea. However, it does seem a worthwhile objective to share and develop common concepts and measures so that local performance can be evaluated in an international context. Moreover, it should be possible to develop an index of cultural industry concentration which would eventually highlight the key importers and exporters of cultural industry products.

More generally, studies of this type can help to share best practice, and create the possibilities for learning alliances between localities across the world. One of the key issues for many localities is the power and domination of a small number of key cultural industry players in the world economy, and the impact they have over economic and cultural activities.

History of the concept

The Frankfurt School :Adorno to Benjamin

The concept of the 'culture industries' was famously written about by the German social theorists Adorno and Horkheimer in the 1930s. His article saw the culture industries as the enemy of society having a debasing effect on culture. Culture industries were closely identified with mass society and not interrogated as a substantive concept. Adorno's colleague, Benjamin, did engage more substantively with the effects on cultural experience of mass production of cultural products. Aside

from the acknowledgement of the role of technology and mass production on consumption and aesthetics the debate did not address the key concerns of contemporary cultural industrial analysts.

Girard and UNESCO

The practical origin of the term cultural industries arises from a report produced out of a conference organised under the auspices of UNESCO in 1982. (UNESCO (1982) Cultural industries: a challenge for the future, UNESCO, Paris). The report, masterminded by Girard, covered issues such as definitions, impacts, trends in the cultural industries, and policies and strategies. In Girard's introductory paper he positions the cultural industries as a vehicle with which to re-invigorate cultural policy more generally. Additionally, he offers a practical definition of the cultural industries that include not only artists but manufacturing, publishing, distribution, retailing, archives and import/export activities. This concept of an inter linked process of production, a chain, or a sector, is one that is borrowed from industrial planning. It is noteworthy that this style of industrial planning has been popular in Girard's home nation, France.

The production chain/system

The concept of a production chain, sector, or filiere, is that any final output relies upon a number of intervening activities to realise it. It is a notion that is common in manufacturing where the concept of intermediate inputs are acknowledged. Recognising the inter-dependencies of these sub industries it has been argued that it makes sense to organise industrial policy not around outputs, but around sectors. So, for example the car sector includes not only those who make cars, but steel makers, glass makers, electrical components, rubber, etc. Applied to the cultural sector one is forced to look at both the front and back of house performers, also, in line with the notion articulated by the Frankfurt school, the manufacture of production (tools), reproduction, distribution and exchange industries. A fuller discussion of this notion can be found in Pratt (1997).

The important point is that the sectoral approach widens attention from the focus on the artist, to the broader process of the production of culture. In line with recent debates about 'systems of innovation' (see Lundvall), we might note that education and training are also key elements of this wider production system.

Operationalisation

Concepts and Definitions

The concept of the cultural industries is a fraught one, nevertheless it has to be grasped if confusion is not to reign. I list below a number of key dimensions around which cultural industry concepts have been arranged.

Artist

An adoption of the notion cultural industry re-positions the artist as sole 'genius', to one of an ensemble player, although usually playing a leading role.

Electronic/Non

One common definition that was popular in the 1970s was a debate about a technological divide within culture. Electronic means of production of art facilitated reproduction on a large scale. In electronic music live performance could reach larger audiences. Electronic reproduction could be stored and played back later, or repeated. Often this notion of electronic /non- came close to eliding with prejudicial binary definitions such as high/low culture. The issue of what is electronic and what is not is increasingly blurred as amplification and recording techniques have been developed for use, for example, in the theatre.

Public/Private

Many cultural policy makers are keen to stress a public private split, or a commercial/non- split within the cultural industries. Germany, for example, recognises the cultural industries as solely commercial. In Britain, the concept runs more clearly across the public and private boundaries. This binary division is more difficult to sustain when one looks at the commercial practices actually sustaining the public sector. A good example is the commercial art market that public art galleries

are implicated within. A common point that has been made recently by UK observers has been that cultural workers often work in both sectors, sometimes on different contracts within the same working day.

Production chain

As noted above the production chain idea seeks to capture the whole stream of cultural industry production. Many forerunners of cultural industry policies and concepts have confined themselves to the 'close to the artist' industries in their definitions. However, it is clear that a new debate is opening up to push back the boundaries to include the full production chain.

Creativity and knowledge

Recent recognition of the role of new knowledge creation, and the process of creativity as it contributes to innovation and wealth creation has caused policy makers to look to the cultural industries which are viewed as prime examples of creativity. Thus, the UK has re-branded its cultural industries as 'creative industries'. South Africa also recognises the inter-relationship of the knowledge economy and creativity and the potential role of the cultural industries. This leads us to issues of convergence.

Convergence issues

Within CI

There has been much discussion of the convergence facilitated by digitisation and its effects on cultural production. Indeed, it could be argued that above all this could be the case for a consideration of an inter-linked sector: the use of common technologies. However, we need to recognise that convergence does not necessarily take in fine arts, literature, the plastic arts, and theatre. However, it must be pointed out that the sources of innovative activity across all fields of the cultural industries include digitisation.

Outside CI, especially ICTs

However, digitisation should not be seen as a sole unifying factor. Just as quickly it is becoming clear that the cultural industries are developing a significant convergence with other information and communications industries (software, computing, telecommunications). This complicates matters considerably.

The cultural industries in the world economy

The size and scope of key players

Although the cultural industries have had little attention collectively, major constituent industries have. Industries such as the film, television, publishing and music industries are recognised as significant industrial players. As we note elsewhere in our discussion of definitions, the issue of convergence both within and out with the cultural industries is becoming significant.

In this section we pay particular attention to some of the key organisational dynamics of these industries. The dawn of the 21st century yielded the paradigmatic case: the merger of AOL and Time-Warner to create a global media conglomerate which ranks as one of the top 10 companies in the world. When one recognises that the likely mergers and alliances of the next few years will be between telecommunications companies, computing and software companies, and cultural industries the prospect of cultural industries becoming drivers of the world economy will become a reality.

Organisation of the cultural industries

Cultural production is, in essence, no different to any other form of production. As with all sectors of economic value the processes have local variations, and the outputs have a diversity of value attached to them. Western society, in part through its customs and educational infrastructure, values cultural artefacts in a particular way, and attributes value more directly to an abstract notion of representation rather than the object's production cost. One aspect of this unique valuing is to associate a particular artist with a product, this helps to highlight the role of the content producer above all others in the process.

Cultural production and artists

The focus on the role of the artist relates to a strong western, humanist tradition, and equated more with the notion of the artist as an independent operator. The very notion of artist captures this. However, historically, cultural production has been inserted in systems of market and patronage, and production has involved assistants, facilities and raw materials. These activities, what we term the cultural industries production chain, we commonly deemed as irrelevant to the artist.

The production chain

The notion of the cultural industries production chain is to link all of the activities that go into producing a cultural object, be it a CD, or a piece of fine art. Thus, we not only include the artist, but also the gallery and auction companies, the paint and materials producers, managers and intermediaries, as well as the art education of consumers, and that of future artists. Production chains, or as they are commonly called in industrial analysis, value chains, can be drawn for separate industries. One interesting aspect of value chains is to see how spatially contained or dispersed they are.

International Division of Labour

One of the points that has become self evident since the mechanical and electronic reproduction of art and cultural products is that large industries can be created and sustained to produce them. In fact, as disposable incomes have risen, these industries have grown. Moreover, like every other industry, the cultural industries have engaged in international trade, and for some, have become trans-national corporations (TNCs).

One of the characteristics of many TNCs is the organisational structure that mass production facilitates, namely that production can be separated from management, marketing and research, and original content production. Thus, CD companies can take an African artist, take them to recording studios in Paris, get their CD pressed in Germany, their artwork created in New York, and retailed the world over.

This process raises issues for many concerning the internationalisation of culture through market domination; for some a threat is seen to local markets and more crucially, local cultures. Given the strong link in many nation states between culture and identity this is always a vexed political issue. The example of the French and the film industry is a case in point.

Strategic issues

There are many issues that concern the internationalisation of cultural production. In essence, they are no different to other industries, in practice they are quite different because of the value that local communities, states and people place on culture.

Content/Intellectual property

The issue of ownership of intellectual property, the ownership of content, is an extremely complex one in the digital age. Systems of reimbursement such as royalties are popular, but not universal. Sometimes rights to use are separated from the artefact itself. The right can be sold entirely, or assigned for a period, and a price. Or, a complex amalgam of all of the above.

Intellectual property lies at the core of the cultural industries as this is the livelihood of artists. Intellectual property is extremely complex and expensive to manage and to regulate. It is also open to abuse through evasion, and the fact that developed countries and their companies are likely to have the legal and financial leverage to obtain a better deal in any given situation.

Investment/Profit taking/re-investment

One of the advantages for countries with no cultural industries might appear to be to attract the production facility of a TNC, or to act as a site for a 'call centre'. As with most investment of this type it is a low value added and poorly integrated economic function for the local economy. Commonly the headquarters, the research and development, and marketing is located in traditional global cities.

Dis-investment, power and control

Attraction of foreign direct investment is one thing dis-investment and relocation is another. More particular to the cultural industries is the problem of lack of local value added with post-production and feedback to artists. It is well known that interactions between artists, and production technologies produces innovation. If these are physically separated the local, endogenous

innovative potential is diminished. Local cultural scenes require investment and support, if artists are attracted away, or they have little control of their revenues, or that they receive little if any revenue than there is a gross leakage of resources from the local economy, culture and society. This vacuum can be filled by TNCs and international cultural production.

The knowledge base

There is very little knowledge available of the international organisation of the cultural industries. What information is available is found in two sources. First, in individual company reports (given the dominance of the sector by a few companies this could be a realisable objective). Second, in sector or industry reports carried out by consultants. As these reports have considerable market value in terms of strategy they are extremely costly, and hence not readily available.

Key sectors/companies

They generally contain comprehensive breakdowns of either key market sectors in one regions, or of key companies.

Examples of this sort of report are the following:

Bunting. H (1995) Global media company profiles, in 2 volumes (Vol 1.Europe, and Vol 2.The rest of the world), FT Management reports, Pearson, London

Bunting. H and Chapman. P (1996) The future of the European media industry, FT Management reports, Pearson, London

In addition there are specialist media consultancies such as: [Jupiter Communications](#) (USA)

[Cutler and Company](#) (Australia)

[Dentsu](#) (Japan)

[Spectrum Strategy Consultants](#) (UK)

For company information see, for example:

[News Corporation](#)

[Disney](#)

[Time Warner](#)

[Bertelsmann](#)

[Viacom](#)

[Sony](#)

Academic accounts of cultural industry structure

Additionally, there are academic accounts of the form and nature of the industries, and their marketing strategies; the following are the best examples:

Wallis. R and Malm. K (1984) Big sounds from small peoples: the music industry in small countries, Constable, London

Vogel. H (1998) Entertainment industry economics (4th edn.) Cambridge University Press, Cambridge.

Herman. E and McChesney. R (1997) The global media: the new missionaries of global capitalism, Cassell, London

UNESCO reports

Data on trade and royalties is not to be found in traditional places such as The World Investment Report (UN annual), there are however a number of accounts by UNESCO that have tried to capture trade in cultural items.

UNESCO (1989) World Communication Report, UNESCO, Paris (contains useful chapters in industrial structures, and on trade (or, information flow as it terms it).

A number of papers in the UNESCO reports and papers on mass communication series:

No.92 Transnational communications and cultural industries (1982)

No. 98 The new international economic order: links between economics and communications (1985)

No. 99 International Flow of Information: a global report and analysis (1985)

No.100 International Flow of Television Programmes (1985)

No.104 Import/Export: International flow of television fiction (1990)

National Studies

Few national studies exist. The European [Audio Visual Observatory](#) performs a monitoring function of the European Audio visual industries on trade issues and output and produces regular reports by nation . The UK has begun to make an attempt using diverse commercial sources : [The Creative Industries Mapping Document](#) (1998). Canada and Australia have produced exemplary studies that

explore industry by industry the role of sales, imports and exports. Data is collected directly from government returns. Canada : [general on investment](#) data; example of the [sound industry](#) (others available) Australia ; [Australia's Balance of Trade in Culture](#). In addition some regional profiles have been developed. Most notable, given California's global importance in the cultural industries, is that of the [California Trade and Commerce Agency](#)

Employment data

Conceptual definitions are important however, they only take on a useful role when coupled with operationalisation. The problem can be broken into two stages. First, the identification of an indicator for an activity (occupation, industry, or economic value of product). Second, the linking of that indicator to real data. The major difficulty is that researchers are reliant upon secondary data, data already collected for other purposes. Thus, there is one dimension of compromise. More seriously, publicly collected, widespread data collection is based upon time series analysis; thus classifications and categorisations of information collected tend to relate to historic conditions. The issue of the measurement of the service sector is a well documented case in point. The cultural industries, illustrate the extreme case.

Data collection

Information on employment collected by census, ether population census, or business census, has two main dimensions: classification by industry or by occupation. As noted above industrial and occupational classifications are out of date and offer little resolution on the cultural sector. What data can be filtered out as wholly cultural has to be extracted in a laborious and complex procedure. However, it is possible. A number of national governments are now producing data in this form. In only a few cases is there any time series analysis.

Output indicators: Imports-Exports, Turnover and Sales

Another key measure of cultural industry activity is economic performance. In just the same way that little employment data is collected on cultural industries, and if it is, it is scattered amongst a number of sub-headings, so it is with economic output indicators. Data of this variety is available for turnover and sales as part of most countries taxation returns however, the data is not collated. Import-Export data suffers similarly. Output indicators are especially problematic as they need to take consideration of the production chain, hence, the output from many manufacturers too. For example the production of a CD playback deck and the production of the CD and the packaging and distribution. However, this is the easy part; the collection of information on royalties and earnings on intellectual property are especially hard to isolate and to measure. Estimates usually are derived from individual company accounts (especially where a sector is dominated by one company)

Indirect measures

Both output and employment data are direct measures, they come directly from the industry. Prior to the development of direct measures a commonly adopted strategy was to use indirect measures of the multiplier effects of cultural investment. These measures looked at the extra economic activity in, for example retail sales, hotel nights, or travel and tourism, generated by a cultural event. The rise of the cultural industries as a direct income and employment generator has turned attention away from indirect measures. However, they still can be considered to be of value in that the cultural industries impact in economies is commonly significant.(see Japan)

Spatial data

Collection of both output and employment data is difficult at a national scale, local accounts are even more difficult to obtain. However, given the apparent concentration of cultural industries in particular regions and cities it is vital that data collection is not simply national but is also local in character. Local employment data does seem more commonly available, local output data is rare.

Internationalising the cultural industries

Each national census body has a different industrial and occupational classification. So, to compare cross-nationally one has to control for different concepts of the cultural industries, as well as different classification methods. International concordances of occupational and industrial

classifications do exist, once again it is possible to resolve cross-national definitions and classifications to produce comparable data. To our knowledge there have not been any cross national comparative measures of cultural industries. Notable attempts have been made by Greffe to produce a limited measure from the EU. Pratt has developed a methodology for comparative analysis of national census data that has been used to create a Japan- UK, and US – UK comparison. Such a method could be extended to other countries.

Best practice examples

The best practice in the definition and collection of cultural industries employment data is undoubtedly Canada and Australia. Both have extensive publications and reports produced over a time period by their statistical agencies. In the Australian case the National Culture-Leisure Industry Statistical Framework (4th ed) 1991, Culture Ministers Council Statistical Advisory Group is the benchmark. Example publications are the Australian [Employment in Culture summary](#) as well as a number of publications links to which are to be found at the [ABS web site](#).

In the [Canadian case](#), and at the [Canada statistics culture site](#). Other notable collections are to be found in France, a large scale data collection of all aspects of culture, and cultural industry employment in particular at the [Cultural Observatory in the DEP](#). A [report on cultural employment](#) derived from INSEE sources (the French statistical agency) is available. There are some useful examples of [sector studies to be found in South Africa \(and the UK\)](#). Finally, there are some very useful discussions of the definitions of the cultural industries in [Finland](#) and [New Zealand](#), the latter picks up the serious point of relationship of the cultural industries and the ICTs.

Policies for the cultural industries

History

Cultural industries are a relatively new phenomena, and generally do not figure in most nation state's formal Departments of government, nor do they receive financing on any great scale. Traditionally cultural industries policies have grown out of Arts and Cultural Policies more generally; and hence tend to emanate from Departments of Art and Culture or Education. It is important to bear this history in mind because it marks them in a variety of ways.

International

There is no internationally agreed pattern of cultural policy or programme. The policies that have developed have been created mostly at the national level; although there are examples of local and regional models too.

Relationship of art and cultural industries

A particularly tense relationship exists between art and cultural industries in that they are commonly elided with the market/non binary. Where cultural industry policies fall under arts management the commercial dimensions can down played, or ignored. Given the universal pressures on arts funding systems, and the grant basis of allocation, cultural industries, often being economically viable are an anomaly. Basically, the tension is between policy for the cultural industries being economic or cultural in foundation (or being both, but with different clear objectives and anticipated outcomes).

Primary versus secondary focus

One of the early loci of concern with culture from an economic perspective was to consider its secondary impact, in terms of the multiplier effects of visitor attraction to cultural events. (see Scanlon R and Longley R (1984) *The arts as an industry: the economic importance to the New York-New Jersey Metropolitan region* in Hendon, Shaw and Grant (eds) [The economics of the cultural industries](#), ACE, Arkon.), or more recently, The cultural economy research group (1997) [Investigation into the economic effect of arts and culture](#), Osaka, Japan

Relationship to the rest of the economy

Increasingly there is a recognition that the cultural industries may play a strategic role in economies. The UK government signalled this in renaming the cultural sector as the 'creative industries'. The implicit acknowledgement is that creativity and entrepreneurship and innovation are interlined; and are valuable across the economy. These comments have taken on even greater importance when

positioned in debates about the 'knowledge economy' (see for example 1999 UK White Paper: '[Our competitive future: building the knowledge driven economy](#)', and Scottish Enterprise (1999) [Creativity & Enterprise](#), Scottish Enterprise's creativity sectoral plan

Relationship to the rest of society/polity

The cultural industries have a problematic relationship with society and the polity more generally. Whilst culture and creativity are valued, economically and otherwise, culture can be 'put to work' to ameliorate societies ills. Thus, increasingly cultural industries are seen as potential means to help communities to break down social barriers and resolve social exclusion. Such an objective, though laudable, can be contradictory to either excellence, or economic success.

Focus and themes of policy

It is not the intention to carry out a review of cultural and cultural industry policies here. The aim is to outline the main strands of policy development and to offer broad characterisations. The following are the main themes, they constitute the palette of policy themes. In individual cases particular combinations are combined. It is worth noting that cultural industries policies should also be seen within a broader national administrative and political structure, as well as a particular articulation to education, arts, and economy.

Exports

The recognition of the economic value of the cultural industries has prompted nations to maximise the exports of these items so as to help with balance of payments issues. In those economies that have a global concentration of cultural industries export policies can run alongside industrial policy more generally. Additionally, or alternatively, export policies can articulate with identity and tourism policies.

Employment

Employment creation is a common focus, in part the data collection and definition discussed elsewhere in this report has been driven by this agenda.

Identity

The role of national identity is bound up with the notion of culture. Given that culture is constantly being re-invented, and that the current phase is dominated by the cultural industries it is not surprising that this is an issue. It also explains why the issue is so politically fraught. The UK has sought to ride on the back of the media story of 'Cool Britannia' for its successful cultural industries, this has also crossed over into a debate about the 'rebranding' of Britain itself. (see Leonard . M (1998) [Britain™: Renewing our identity](#), Demos, London)

Tourism

Tourism links to perhaps the most common cultural policy that of heritage and tourism. There are links with the cultural industries, however, it is common practice now to see these as quite separate issues.

FDI

Foreign direct investment is increasingly a target for nations and regions; especially in perceived fast growing sectors such as new media. A number of nations and regions are seeking to attract such inward investment (see ,for example, Pratt. A C (1999) [Digital places: a report for Scottish Enterprise](#).

Art for arts sake

Related to the humanistic agenda in part, this agenda simply promotes cultural industries because of the intrinsic 'good' of culture. Such policies are compromised by a more market orientated cultural policy.

Education/Humanistic values

A traditional arts agenda for the cultural industries stresses the value of education and enlightenment as a path to personal fulfilment and citizenship. Commonly these are delivered through structured education and appreciation of arts and culture from an aesthetic point of view, or of exhibition and display as a part of audience development.

Sectoral policy

Policies are seldom of a blanket variety. Most acknowledge that there may be different instruments and different objectives for the promotion of film versus music for example. This has led to a number of targeted sub-sectoral policies. Clearly, nations and regions highlight which industries they are likely to succeed in promoting.

Industrial/Industry policy

In some cases the policy is aligned to, or mirrors the form of conventional industrial policy rather than arts policy.

Whilst most dimensions of policy discussed naturally fall into the public sphere there are increasingly examples for private, or partnership policies that either exist within Chambers of Commerce, Industry representative bodies, or within TNCs (which are bigger than many nation states). Less is known about these policies, but they are clearly relevant to our discussion (see Section above on the cultural industries in the world economy).

Best practice examples

It is a difficult job to review every country for cultural industries policies. This search was dominated by what resources are available on-line. Three useful starting points can be noted as directories. First, the [Culturelink](#) site of UNESCO which has both a directory of institutions concerned with cultural industries, as well as a collection of country reports online. The reports are dominated by Europe and Asia. No information is available for Latin America, Africa or the Middle East and the Indian Sub continent. An alternative starting point is the [Directories of cultural ministries](#) around the world. This latter source is more extensive, but requires more searching. Country details can be found by linking to the above directories.

3 divisions

Very broadly we can divide the world of cultural industrial policies up into three divisions. The first comprises of those countries that have an established economic presence in the cultural industries and are seeking to capitalise upon their economic dimensions. In this category we could place North-Western Europe (notably, the UK, some German Lander, notably Nord Rhein Westphalia, Finland, France, Italy and the Netherlands) and the USA. The USA is anomalous in that it has no cultural industries policy, but it has a de facto policy through its foreign policy and through industry alliances (see broader discussion in Appendix 1 to Pratt. A (1999) Digital Places).

The second division are those countries that are not so prominent economically in the field, or feel under pressure economically, and commonly are emerging from an colonial history. This dimension adds a significant identity formation to the cultural industrial, as well as an attempt to brand good with national identity. Here the best examples are Australia, Canada, and latterly South Africa. Other examples of identity differentiation can be found in Scotland and South Korea.

The third division are those nations that still remain heavily committed to the tourism and heritage agenda, but are trying to broaden their economic base. Here we can list most of the rest of the world, including Eastern Europe, Russia, China, much of Asia, and Latin America. There are some exceptions in Latin America for example for countries developing small scale projects such as the 'urban quarters project'.

We might expect that Brazil and Mexico with their colonial histories, and their media industries, and large populations will develop policies in the near future. However, the overarching factor here is economic strength more generally. Culture is not commonly the first line of investment for developing countries.

Conclusions

Analysis of the cultural industries is still at an early stage. Understanding of the concept is poor, and its utilisation is variable. Different nations and administrative bodies use different definitions under the same heading. Even when the definition problem is set aside there is the issue of data collection and availability. The relative 'newness' of the creative industries, coupled with a poor understanding of their form, organisation, structure and operation often leads to inappropriate data collection. This problem is underpinned by the serious lack of data collection. In part, this is associated with shortcomings in the Industrial Classificatory systems used by national census takers. This is a common problem for the service sector generally, but is acute in the case of the cultural industries.

Associated problems confound data collection on Occupation, and output. In the latter case the massive problem of disaggregating invisible earnings (even at a national level) is a significant barrier to the estimate of the true value of the cultural industries.

The net result is that it is very difficult to develop any measure of employment, let alone the size, structure and economic or social value of the cultural industries to any regional or national entity. Even where attempts are made to do so, comparison and benchmarking are problematic; thus, it is difficult to assess the significance of data. There is a clear need to international co-operation and initiative to create reliable indicators.

This all points to the need for a clear statement of the conceptual basis of any cultural industry definition, and likewise an explicit statement of measures and sources so that comparison and reliability can be assessed. The issues hinge upon appreciation of both the breadth of the cultural industries sector (expanding all the time with convergence), and the depth. This latter point is less readily appreciated. Here the issue is about the nature of the production and value chains which feed back into the 'traditional economy' and activities such as manufacturing. The point here in a development sense is the need to plot value chains in order to establish 'leakage' of economic, social and cultural value out of a locale. The case could be illustrated in many ways: Liverpool's loss of music talent to London, likewise Senegal's to Paris. Underpinning these points is a chronic lack of understanding of the structure of organisation of the cultural industries.

These issues fold back into the arena of policy making. As we saw with definitions, cultural policy is a vague term. The relationship of cultural industries to cultural policy is problematic. We have first to note the inter-penetration of cultural policy with national identity, and note that historically cultural policy is the responsibility of Foreign Policy offices. Thus, we see the configuration of national heritage/ cultural heritage; or the projection of new identities/repressed heritages as a key motivation. Traditional policy has this form, whether explicit or implicit at the national level.

At the urban and regional level a more recent debate has a more economic dimension of late. The first can be linked to globalisation, and the inter-urban competition for investment. Culture is increasingly used as an adjunct to inward investment strategy as the 'competitive advantage' of cities; here again heritage is a key point. Whilst everybody can build an opera house, or sports stadium, 'historical' artefacts (especially buildings) are place related.

Thus, the cultural industries sit uneasily in this agenda. Recent recognition of the economic value of cultural products (in part due to the huge rise in cultural consumption enabled by the technologies of mechanical/digital reproduction, and in part associated with rising disposable income) has led some regions to reconsider the cultural industries as economic entities and consider their value and the need for its promotion. Generally, this type of policy is associated with the elite/developed world for reasons discussed above. It is these initiatives that are true cultural industry policies. The question is whether these can be developed into endogenous development tools.

Finally, the 'economisation' of the cultural field, and the cultural industries in particular has set up tensions with arts policy and arts practice. First, there is the question of value. Here economic value begins to be measurable for some artefacts, and those without a value label can appear 'value-less'. Art for art's sake is questioned. Thus, many artists feel challenged by the new upstart culture. However, the new culture industries are more complex in their relationship to arts generally. The increasing hybridisation of public and private, commercial and not-for-profit is a new agenda. This problem is encapsulated by artists who may work on commercial projects in the morning and not-for-profit in the afternoon. In other words, they are co-dependent. This will remain one of the biggest challenges for policy making, and data collection in this field.