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The aim of this article is to examine the relationship between the creative industries, culture and development. It seeks to examine the development debates in relation to the creative industries, and the ideas underpinning them, including that of culture. In a superficial sense culture and development seem a logical and positive coupling: a win-win situation. However, as the subtitle to this article implies there are two competing modalities of the culture–development relationship. The first, which is termed culture in development, is characterized as being shaped by instrumental and idealist motivations. The second, cultures of development, draws upon a concern with the diverse ways in which culture is produced and consumed. The argument presented in this article finds in favour of the latter view for two reasons: first, cultural production, including that of creative products, has changed in its scale and organization and policy needs to respond to this; second, that in absolute terms the creative industries play a more significant role in both the social and economic life of nation states: in short they have moved from the periphery to the mainstream. As a consequence the article concludes that more investigation of the embedding of social, cultural and economic of culture in places; and, local capacity building in the context of global cultural value chains and production networks.

**Introduction**

One of the great surprises in recent years has been the documented growth of the creative industries (UNCTAD, 2008, 2010). Growth had been occurring for some years, but it was not registered in official statistics, and therefore seldom gained the attention of
policy makers and their political masters. Research progress in the precision of definitions (UNESCO Institute for Statistics, 2009), and the subsequent establishment of the means of capturing data on the transformation of the creative industries have generated considerable debate. In part it created debate because it was unexpected: traditionally culture has been seen as at best dependent on the ‘real economy’, or more usually as an optional extra (for the rich). The added twist to the whole debate is that the creative industries have continued to grow through the recession, and that there is strong growth in the Global South. This suggests that culture may not be so easily dispensed with, even in hard times; and, that it is not simply a luxury enjoyed in the Global North. Thus, it turns out that the creative industries are both a more interesting, and perhaps more a complex debate than many thought. In particular these headline figures should not lead us to forget important organizational, and in particular the power asymmetries, of cultural production systems.

It is useful to retrace recent developments. Stage one was a number of city regions and nation states, in the Global North, who sought to accurately assess the contribution of the creative industries to their territories. A second stage was the innovation of collation of data that represented an international picture. Both strands of work have pointed to the creative industries being a more significant part of local and national economies than previously anticipated, even in the Global South. Moreover, the rates of growth in the Global North and Global South were greater than averages in the economy; plus the impact of the recession seems less for the creative industries than the rest of the economy.

These empirical findings throw up two issues. First, the relationship between the leading parts of the economy and the creative industries has always been characterized as dependent; the recent evidence does not support such a contention. This has led to an interesting debate about the relationship of the creative industries to the ‘rest’ of the economy. A second issue, the focus of this article, is the role of the creative industries in development.

In many respects the linkage of culture and development is a political ‘dream ticket’. It is similar to that which has sustained debates about creative cities where, at a superficial level, no city wants to be a loser in the ‘most creative city in the world’ contest. Politically speaking teaming economic development with an improved cultural offer of a city is an easy and popular combination. At the global scale the debate about ‘development’ is often characterized as worthy and difficult, and about poverty: which it undoubtedly is. However, the notion that trading local cultural resources could lead regions and nations out of poverty sounds either frivolous or utopian: the celebration of cultural diversity, economic growth and self-reliance. Of course, the linkage of culture and development is not new, the ‘culture in development’ movement where development is delivered using cultural instruments has a long history; what the debate about the creative industries does is to posit that the creative industries will, like any other industrial sector, drive development prospects. However, one of the key findings of work on the creative industries has been that it does not fit the ‘generic model’ of industry, and is quite exceptional in is operation and organization.
Accordingly, the question of culture and development has a number of complications and specificities. Moreover, it is non-normative in its form and operation. This creates plenty of opportunities for the misunderstanding and misapplication of ideas. The article draws upon the themes already raised by other authors, but seeks to attend more closely to the implications of the growth of the creative industries in the Global South. It has a simple three-part structure; the first part reviews the framing of culture and development, and thus the normative expectations of the creative industries in development. The second part examines the challenges of the asymmetries of power and resources in the creative industries at various scales. The third section discusses responses that might be possible to alleviate such problems.

**Culture in Development**

As has already been noted the relationship of culture and development has both the appearance of simplicity and a popular political attraction. But, when examined more closely it discloses multiple challenges. There is a well known and extensive literature on who is doing the development, to whom, or on behalf of whom. Moreover, there are debates about the variously imagined ‘aims’ of development—especially those that suggest, or desire, convergence with the path taken by the Global North as discussed and critiqued under the label modernization theory. In order to clarify this aspect of the debate we have sub-divided approaches into three ways in which culture has been enrolled into development; importantly this tends to characterize culture as a *subject* of development, not its *object*.

**Idealist approaches**

There is a strong tradition of support for culture in the Global North, the justification is usually based upon idealism. The intrinsic value is idealized as a facet of human achievement and being. Good culture is celebrated and emulated as a characteristic of collective humanity. There has been much debate about the means, or even possibility of, identifying what is good culture. In the Global North it is commonly argued that the market undervalues culture, and thus it should be supported as a public good in itself by the state. Much emphasis has been paid to education and training systems that sustain and develop particular artistic sensibilities. There is an implicit question as to whether cultural values are relative, or if there is a natural order (one that should be defended by an elite). In popular expression this is the high versus low culture debate.

Adorno and Horkheimer (1986 [1944]), concerned with what they viewed as the threat of Fascism and ‘mass culture’, viewed what they termed ‘the culture industry’ as the problem: the enemy of ‘Culture’. They offered a particular re-interpretation of this division based upon the positive value of the ‘aura’ of the original piece of work and
its individual appreciation, which seemed to offer a re-enforcement of more traditional high-low divisions, by the means of production (craft or machine). Walter Benjamin’s (2008 [1936]) prescient critique troubled this easy division and the wholly negative characterization of mass production. Subsequent criticism has pointed to the historical and technological context of cultural production such that film and jazz, relegated to mass culture by the Frankfurt School pioneers, have been accepted latterly as high culture.

Approaching the issue of culture from an analysis of the state, Benedict Anderson (1991) famously offered an insightful analysis of the historical role of culture, and the material goods, practices, and celebrations to sustain and constitute the nation state. On the one hand we can see how individual states in the Global North has used culture to bolster state making; but it has used its version of cultural value in its interaction with the Global South; specifically in the case of colonial administrative systems internalizing such value judgements. On the other hand, post-Colonial states have sought to assert their own value systems and state building aspirations through culture.

In this context the argument for the support of world heritage artefacts or sites can get very complex in terms of curation, ownership and control, and identity, let alone the availability of resources to manage them. Setting aside the question of who decides what is ‘world heritage’, the classic case of the return of artefacts to their original locations by museums of the Global North illustrates this dilemma well. To simplify: on one hand it is commonly asserted that artefacts can be better preserved for humanity by removing them; on the other hand, such artefacts are part of the local history and identity, and take their meaning from their context. Thus, culture, the state and development are locked in tension and routinely expressed through terms like identity (national, regional, and local).

**Instrumentalism**

A second perspective on culture and development is characterized by instrumentalism. In a flattering twist of a utilitarian approach, it is argued that because culture is so important and resonant with everyday lives that it is a perfect vehicle for social and economic mobilization. So, a staple text of enlightened thought on development advocates the use of culture to achieve its ends. This is presented as a practical and effective solution adapting and using cultural traditions to engage the local population in collective action such as building a water well, or communicating health education. This sophisticated anthropological approach is a foundation for development agency practice in the Global South; and, as such when the term ‘culture and development’ is used, it is this usage that is most often referred to (Sen, 2000).

It is not only the Global South, in recent years public bodies in the Global North have seized upon culture as a tool of social and economic regeneration, social renewal, and social inclusion (Bianchini and Parkinson, 1993). This has led to culture being used to deliver many and diverse objectives: evaluations have, as in the Global South, proven that they are effective and efficient. The nub of the issue is to ask what the objectives of
such programmes are. Simply are they to achieve either some form of social inclusion, to enable other social and economic activities to occur; or, to act as a carrier of a social or economic message? What they are not about is developing local culture (although that may be a spin-off, or an unintended consequence).

A recent debate about the role of cultural diplomacy, elaborated more generally in Nye’s (2004) thesis on ‘soft power’, proposes culture to be deployed to achieve political aims. In state budgetary allocation systems the fact that ‘culture’ is associated with a project may lead one to assume that cultural benefits will or should follow, although as we have noted, this is not always the case. Moreover, cultural programmes, based on intrinsic cultural development are crowded out by such schemes.

Creative industries

The recently reported growth in the creative industries has obviously led governments in the Global North and Global South to reappraise policies and programmes (in this sense we are emphasizing the for profit, commercial aspect of the creative industries). The aspiration of many is linked to viewing the creative industries as part of the knowledge economy: that is the ‘next big thing’. Creativity offers a way to leapfrog development, from agriculture to knowledge on one step; second, creativity is high value added and high skilled activity so this is a pathway to ‘upgrading’ whole economies.

An earlier iteration of this process has been tourism and the means by which the Global South might capitalize on its comparative advantage of unique environments to gain foreign currency. However, the sunk costs of investment in tourism (especially real estate and transport logistics) are high; the move by some to cultural tourism is an attempt to capture the highest value segments of tourism markets. The tension between pristine and unique cultural sites, and tourism (mass or elite) is substantial.

Hence, it is not surprising that the creative industries has been considered by many nation states and cities as a potential source of growth. The real challenge here lies with the organization of production, specifically the engagement with international production and distribution systems that will not only enable products to reach markets, but to build markets for new products, and to ensure that profits are returned to the producers. It is to this aspect that we turn next, where culture is characterized as an object of development.

Cultures of Development

Debates about the process of development implicitly refer to modes of organization and governance often simplified as either top-down or bottom up. If we then turn to culture we can consider its manifestations as economic, social or political, or combinations thereof. We can see culture as naturalized, or as constructed, as imposed, or opposing.
Moreover, we can see culture in anthropological practices or as alienated and commoditized; and everything in between. Since the 1980s the term ‘cultural industries’ has been used to ‘pluralize’ and critique the ‘culture industry’ model popularized by the Frankfurt School (Garnham, 1987; 2005). In so doing the balance of debate has shifted from an emphasis on aesthetics and consumerism to the varieties and specificities of cultural production.

There is more to production than simply devising and making a product. Getting the product to market, and generating a demand is critical: the two must be synchronized with logistics and related markets. We know this even from mature creative industries markets in the Global North like film: a good product will fail if it does not have the right marketing, and is released at the right time and place. How much harder the task is for creative products producers from the Global South seeking entry into markets in the Global North, as well as within the wider Global South.

In a sense such an argument can be applied to any product; but there are additional peculiarities and specificities about cultural products that shape success or failure, the aim of this section is to review these. We take our lead from the normative position adopted by both those in the media and communication studies tradition, cultural economics, and the policy community. In this literature the prime concern is with the regulation of monopolies. We begin by considering what are characterized as ‘bad’ monopolies, those associated with market distortions. We contrast these with ‘good’ monopolies that are associated with co-location.

Ownership and control

There is a strong tradition in media and communications studies concerned with the analysis of the concentration of power and control of media operations and the tendency toward, and consequences of, the resultant monopolies (Bagdikian, 2004; Herman and McChesney, 1997). The free trade opposition to monopolies is not a new story; however, significantly, it has been argued that cultural production is peculiarly susceptible to monopolies (due to the unique organization of production, and the economies of scale) (see ‘Sunk Costs and the Structure of Creative Industries’ by Bakker and ‘Digitizing Fads and Fashions: Disintermediation and Globalized Markets in Creative Industries’ by Hirsch and Gruber). Moreover, there are the issues concerning the political or social/cultural consequences of editorial power wielded by few hands, which may be in opposition to democratic society; this is a point that is bought into sharp focus when the ownership of the news media is discussed (Curran and Seaton, 2009). Likewise, with respect to film, the Paramount Case in the USA, is perhaps the most clear cut case of government action in break up and restructure the film industry to avoid the worst excesses of monopoly control (Christopherson and van Jaarsveld, 2005). Despite legislative and legal action on monopolies, and the ever-evolving affordances of technological convergence have generated an intensified concern with concentration and control as well as its incipient exclusions (Jenkins, 2008).
A striking example is the field of music where just three conglomerates now dominate the global market, and debate continues both against this state of affairs (monopolies and foreign control) in principle, or via evidence of market and cultural distortion that ensues. There are parallel debates about the power that such control endows to particular nation states where such music media are concentrated, especially the case of the US, where economic power is claimed to support a cultural hegemony (Miller, Nitin, McMurria, Maxwell, and Wang, 2004; Negus, 1999).

Trade and regulation

Just as the opposition to monopolies is foundational for neo-classical economists; so is the support of free trade and the belief in equilibrium of markets between supply and demand. On one hand, the asymmetries of global trade can be interpreted as a failure of market logic, or symptom of insufficient market control. On the other hand, asymmetries could be a result of regulatory and institutional forms that are by their nature locally differentiated. The world as it is clearly not ‘flat’ in the neo-liberal sense. In a highly differentiated world differentiated and with asymmetrically structured patterns of trade and institutions, a one-size fits all approach to governance is doomed to failure (Pratt, 2009b).

Accordingly, there is an active debate about the regulation and governance of trade that addresses local and global structural or historical inequalities. For example attention is paid to the close relationship that media organizations’ lobby groups have on national and international policy arena, and how regulations, especially in the field of intellectual property issues and copyright, favour the norms of US, or developed countries’ business norms, and business environments. Thus, for some the internationalization of generic Intellectual Property (IP) treaties is in effect a means of creating a market environment suitable for developed countries, one that suits already well developed practices and institutions (Lessig, 2004). It is these institutions and practices that developing countries often find difficult to resource and police. Thus, it may be argued that IP non-compliance could be an unintended consequence of developing countries market power, or trading position, or cultural protection that renders it outside of, or in opposition, to global agreements.

In a more orthodox interpretation of trade and regulation quota systems limit, or protect, economically weaker trade partners so as to shield the local trade in products that may have particular local meaning or significance. On the other side of production, allowances for subsidies of particular products that have local cultural meaning have also been negotiated. This is in essence the field of the much-disputed ‘cultural exception’ to trade; and has been deployed specifically by France and Canada, against US goods (Acheson and Maule, 2006; Miller et al., 2004). Of course, nation states with less political and economic power are less able to oppose the status quo; that status quo may be far from equilibrium or equality, viz. the ‘Americanization’ of culture.

Next we can turn to the consequences of spatial concentrations instead of organizational ones. Of course the two are commonly related, cause and consequence. However,
in contrast to organizational concentration, spatial concentration is generally regarded as something to be promoted, and aspired to.

Global hubs and clusters

There is striking inequality of the concentration of creative industries in a small number of global cities (Picard and Karlsson, 2011; Scott, 2000; 2004). Moreover, other work points to the fact that within nations there is also a massive concentration inequality between the capital city and the rest (Power and Nielsen, 2010). Not all creative producers fit this model, and some industries have different patterns; but the salient point is that creative industries are primarily urban, and predominantly a global city phenomena (Pratt, 2006).

One argument is that global cities result from their strategic location at nodal points of control in the global economy; in recent years this role has been characterized by the possibility of controlling financial flows. The dominant thesis is that creative industries are advanced service providers for such nodal economic powerhouses and beyond (Kratke, 2006). A slightly different argument draws instead upon a literature on industrial districts and localization highlighting a complex ecosystem of creative industries that embed them in place. In the classical industrial district tradition the clustering should be accounted for by the minimization of transactions costs (Scott, 2000). However, in contrast to traditional manufacturing, the transactions relate to knowledge and know how. This occurs in rather unique organizational setting: Grabher (2002) points to the particularity of time and task limited project-based firms generating what he terms heterarchical relations (see also ‘Managing Project-Based Organization in Creative Industries’ by DeFillippi and ‘Projects and Project Ecologies in Creative Industries’ by Vinodrai and Keddy). Additionally clusters afford labour markets based ‘job hopping’ from firm to firm, or project-to-project (Blair, 2003). The emergent environment is one of intimate, fuzzy and timely knowledge interaction between consumers and producers.

Global hubs are thus one dimension of what is regarded as good forms of monopoly (although places outside the city region may contest this). A further example of ‘good monopolies’ is their mobilization in urban and national branding strategies to compete for foreign direct investment.

Place marketing

There is a long running instrumental account of culture and cities/place based upon tourism and cultural consumption: cities seek to compete against one another for the tourist visit, and to maximize on the subsidiary spending on hotels and related goods. Accordingly, cities have been concerned themselves with place marketing, or branding, based upon an aspect of that city (Anholt, 2007). Cities not endowed with marketable
heritage, or seeking to expand their market, have created new destinations: from theme parks to modern art galleries. The current variant is to promote the ‘experience economy’ of cities (Pine II and Gilmore, 1999), a practice that is similar to what is termed ‘creative tourism’ (Richards, 2007). This accords with a dissatisfaction expressed by many with ‘hard branding’ associated with a disproportionate concern with new infrastructure projects, and instead attention to the cultural practices contained within them (Evans, 2003).

A more instrumental use of culture is found in foreign direct investment strategies. Here, we can trace a line of place marketing exercises through the 20th C to attract mobile investors and jobs. Initially, such activities related to discounts on land; but a recent strategy is to link quality of life indicators to place marketing (Rogerson, 1999). A new twist to the story is the use of culture to ‘add value’ to place, or to differentiate one city from another. Florida’s analysis of the creative class and cities (see ‘Creativity in the City’ by Florida, Mellander, and Adler) thus plays well into such a debate (Pratt, 2011). Clearly, such investment has a self re-enforcing effect within nation states for the concentration of development. A further example, at a global scale, is the enthusiasm of cities to host ‘mega-events’ such as the world cup or the Olympics (Roche, 2000). Thus, cities use culture both as a means of differentiation, and as a strategy to leverage discretionary consumer spending.

Whilst the concern with monopolies is natural, as we have seen, they are complex in the creative industries. In general a simple support of free trade or choice can be undermined by the actual existing organization of the creative industries. At worst support for a ‘level playing field’ simply reinforces existing inequalities making ‘development’ highly unlikely.

**DISCUSSION**

This article set out to critically examine the relationship of culture and development, and specifically the case of the creative industries. In the course of the argument we have sought to separate out the competing logics that embody this relationship. We characterized this as twofold: culture in development, and cultures of development. We have concluded that in the current period the frame of reference ‘cultures of development’ is more appropriate if we are to promote the objectives directly related to the creative industries rather than see it as an inferior subject of development. However, we have argued that dominant concerns with monopoly and its regulation, or the promotion of spatial monopolies, hints at, but does not always successfully engage, with the specifics of cultural production.

It is important to acknowledge that the previous normative view of characterizing culture as just another industry subject to existing trade regulations has not worked. The fact that there is need to articulate a ‘cultural exception’ to trade rules is case in point; even then there is dispute whether such exceptions are effective. Whilst viewing culture
as any other industry appears to ‘take it seriously’, the reliance on cultural exception pulls us back in the direction of idealism and instrumentalism.

The example of world music is a helpful illustration both of the challenges and potential ways forward. In a case study of music production in Senegal both local capacity and international value chains were mapped (Pratt, 2007). It was clear that added value activities, and critically, IP rights, took place out of country (in France). Accordingly, little in the way of income found its way back, despite considerable artistic success. Moreover, the lack of local infrastructure (recording studios, legal advice, management and studio technicians), has forced musicians to go abroad to record. Recent investment in training and local recording facilities, as well as distribution, have led to more resources staying in, and returning to the country, and its people. Thus simply ‘freeing’ trade does not affect the issue. In fact, as the IP system was so under developed trade was likely to draw in more imports, and due to lack of support for musicians, lead to them not being supported by copyright controls. Leading to the absurd situation where it would be possible for external person to plagiarize a performance, register his or her own recording (in the UK), and then sue the Senegalese performer/writer.

This brief example underlines why different perspectives rooted in the knowledge of the particularities of the structures of trade and its organization are required. At present much of this trade is asymmetric in character: as noted above, there is a debate whether this is simply an inheritance, or it is related to an intrinsic nature of cultural production (that leads to monopolies). The literature highlights a strong structural asymmetry problem with all trade, but it is one that is particularly acute with respect to cultural goods. It has been manifest at nation state level and hemmed around with legislation. At a global level the stakes are higher, where the inequalities greater, and the legislative possibilities seem to be altogether weaker (Van den Bossche, 2007). More generally, this debate sits across multiple fault-lines: of formal versus informal activities, the nation state and the global, meaning and identity versus the global, and the economic and the cultural. The normative characterization of cultural trade is that consistent world trade policies, that is the material flow of products across a state boundary; and remediation is focused on the limitation of the flow. However, as we have already noted such a normative formulation in the field of culture can serve to reinforce existing or historic inequalities, and to generate new ones: doing nothing is clearly not a solution, as it supports an imperfect and problematic status quo.

The most helpful basing point for analysis can be found in the work on global value chains (Pratt, 2008). This is a respected body of work that has turn attention away from simply the efficiencies of value chains (that is the focus of work in business studies), towards the focus on governance and organizational ‘pinch points’ through which strategic control can be mobilized across sometimes international production chains (Raikes, Jensen, and Ponte, 2000) and production networks (see ‘Global Production Networks in the Creative Industries’ by Coe). Little work has been carried out with specific reference to the creative industries and global value chains, and that which has thus far has focused on mapping chains and pointing to where value is added. Drawing upon recent global value chain analysis attention clearly needs to be paid to the question of
'upgrading', which is the migration to higher value segments of the chain. What this means in practice is to negotiate access to markets and distribution systems; however, a critical further step is required: to build capacity in local production systems. In many respects this brings us back to a very traditional agenda of skills, training, and institutional development. Sadly, this is an approach that has seldom been considered with respect to the creative industries. It is often precisely these areas that are lacking as a result of asymmetrical development of the past, and the lack of indigenous resources.

Culture and development are two complex ideas that create a confusing intersection. Separating out the ways that culture is characterized and used: from instrumentalism through to culture in, and for, itself (in economic, social or cultural terms) is vital if we are to think through the policy implications. As we have noted, the normative inheritance has favoured an instrumental and idealist perspective. This article has argued for the need to focus on cultural production and its diverse forms that contribute to development in various ways. If the re-conceptualization is acknowledged then it has knock-on consequences for thinking about policy and action. We have also pointed to the value of shifting from the creation of free market forms, and moving to a wider consideration of the organization and governance of cultural markets. An important first step of engagement with this is local capacity building in local creative industries.

Notes

1. The term ‘creative industries’ is used here as an umbrella covering the diverse labels for the cultural economy that have proliferated in recent years, such as the European usage of ‘cultural and creative industries’. In using this term the article signals both state supported and commercial activities, a wider field than the copyright-based industries, as well as UNCTAD’s (2010) notion of ‘creative economy’ focusing primarily on traded for profit activities. The article uses ‘creative industries’ in a more anthropological sense, recapturing the for- and the not-for profit, as well as formal and informal activities, which collectively constitute the ecosystem of cultural production and consumption. For a more extensive discussion of terminologies see Pratt (2005; 2009a)
2. The Paramount Case (1948) was an anti-trust ruling that led to the breakup of the vertically integrated Hollywood studio system that previously had allowed single ownership of the studios and film theatres.
3. For example: of investment, or infrastructure and its ownership, of skills; and of trade patterns and markets.

References


