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## **Cultural commodity chains, cultural clusters, or cultural production chains?**

Editorial for a special issue of Growth and Change 39.1 (2008)

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### Introduction

This special issue has been stimulated by a more general theoretical debate within economic geography: how to engage with culture? Some existing responses have ranged from those that seek to conceptualise the process as lying on a dualism from the culturalisation of economic life to those that view this as the economisation of cultural life (Scott, 2000; Amin and Thrift, 2007). Arguably, both underplay the potential specificity of cultural production. Increasingly analysts, and policy makers, have pointed to the fact that cultural production is itself a major sector of the economy; moreover, that it is growing at a rate beyond that of the rest of the economy (Siwek, 2002). Within the existing dualisms there seems little space to debate the specifics of the cultural industries aside from 'it's all cultural now'. This is a lost opportunity. Arguably, the study of the cultural industries presents the best opportunity of a case study in the 'eye of the storm' of economic-cultural change. Thus, the justification for the concern in this collection is not that production is becoming more cultural, but, what are the specificities of cultural production? If, as some assume, that the economy is being 'culturalised' then changes in the cultural industries might serve as an interesting weathervane that could mark the future of the whole economy; or, it may be that the cultural industries are different, in particular ways, from other parts of the economy.

Another stimulus for this special issue was the frustration at culture being used too widely and generally as a way of defining a non-economic context, or as a means of deploying instrumental policy. What we wanted to highlight was that as well as culture being used in an instrumental manner, there was also a relatively unexplored

role of culture playing a role in its own right. Properly founded policies and evaluation strategies should be alert to, and able to distinguish between, the instrumental and the uses of culture 'for itself' (this may be an 'arts' objective, or one to develop the cultural industries).

Finally, there is the observation that cultural production does have a distinct and focused spatial form. It has been noted that cultural production - and consumption, see Mommaas (2004) - has a tendency to cluster, or co-locate. Certainly, there is a dominant discourse in value chain analysis, notably by Porter (1998), that clustering is a key to competitive advantage. This remains a rather uncertain proposition (Martin and Sunley, 2003). The jury is still out on the nature, cause or consequence of such inter-relationships. But, it is clear from production chain analyses, that such clusters are not 'stand alone' but are nodes within multiple production chains. Those interested in organisational analysis have argued that the network, cluster or node is a more relevant analytical object than the firm in these circumstances (Grabher, 2001). Once again, this suggests that there may be some exceptionalism in the cultural industries case. The theme of this editorial is the value of a Global Commodity Chain approach, and the importance of specificity and uniqueness of production processes in the cultural industries.

In recent years the notion of Global Commodity Chains (GCC) has gained significant attention both in the economic development literature (for example Gereffi et al., 1994; Kaplinsky, 2000; Gereffi et al., 2001). Regardless of interpretation and use, it is commonly assumed that GCC analysis, and associated strategies, have a generic character and can be applied across all industries and places. Historically, research on GCC grew out of analyses of agricultural commodity chains (Gereffi et al., 1994; Raikes et al., 2000; Daviron and Ponte, 2005) and has been notably extended into textiles, footwear and semi-conductors (Bazan and Navas-Aleman, 2001; Blair and Gereffi, 2001). Little research has been carried out specifically on the cultural industries (but see Leslie and Reimer, 2003; Leslie and Reimer, 2006). This paper explores the case for a specific inflection of the GCC concept, termed here 'production chains', to the case of the cultural industries. Both this paper and the contributions to the special issue more generally resolve on three issues; we introduce them in order. First, the paper argues against a generic application of the GCC concept

and need for a unique focus on cultural industries associated with the particular nature of the production process, and the role that embedded judgements of quality are an integral part of this process. Second, the paper considers that a restyled focus on production chains (involving the full cycle of production to use) might be more appropriate than 'commodity chains' for this application. Finally, issues of spatiality and scale are discussed: whilst GCC debates explore linkages at a regional and national scale, they downplay linkages at the local level. The paper begins with a discussion of the definition of the cultural industries.

### The cultural industries

The cultural industries are a relatively new object of interest. In part they are new because they haven't existed as long as many other industries, and critically, they are a novel object of interest because they have experienced massive growth in the last 25 years (For example Kea\_European\_Affairs, 2006). A second reason for the concern is the fact that only recently has data become available on the economic contribution of the cultural industries; previously, poor definition and lack of data collection served to obscure these activities from visibility (Pratt, 2001). Even so, there is still considerable vagueness of definition and usage in the policy community, and to a lesser extent in the academic community (Hesmondhalgh and Pratt, 2005; Pratt, 2005). A consensus does appear to be emerging around a definition that has two dimensions: first, one that incorporates the whole production chain of cultural goods, from creation to consumption and re-use, but is defined by final usage; second, that ranges across from the fine arts to popular culture, and in some versions to tourism, sport and health (Pratt, 1997). Such definitions have been made popular by the UK's Creative industries mapping document (Dcms, 2001). A similar approach has been used by numerous nations and cities to help frame 'creative industries' policies.

The UK's definition derives in large part from that of the Greater London Council (Garnham, 2005), which itself is based upon work by French Media and Communications scholars (Miege, 1987;1989), a body of work that overlaps with early work on industrial 'filieres'. Miege's work uses the term 'cultural industries' in order to specifically highlight the diversity within the various cultural industries, as well as the differences between the cultural

industries and other industries. Recent revisions of the UK definition (Dcms, 2003), and discussion in UNESCO and UNCTAD (Burns Owens Partnership et al., 2006), has merged the two concepts (cultural industries and creative industries); although for political reasons the term 'creative industries' has passed into common usage (Pratt, 2005).

Cutting across this policy-driven agenda is an academic one rooted in economic sociology and economic geography. This debate concerns what is now commonly termed the cultural economy. There are two axes of debate about the cultural economy; first, various approaches that explore the cultural dimension of economic action, thus the analysis has been termed a 'cultural turn' (Amin and Thrift, 2007). Second, those which focus on the particularity of the cultural industries as a part of economic production. Within this second approach – generally termed the 'cultural economy' - there are approaches that range from formal economic analysis to the cultural dimension of the production of cultural artefacts (Anheier and Isar, 2007).

A theme that cuts across both academic theoretical concerns with the cultural economy is the notion of 'culture and development'. The normative usage refers to the cultural context of development, or the relation of an autonomous sphere of culture to national or local identity. This theme has long been a concern of development scholars and policy makers (Sen, 2000). In an allied debate, although seldom problematised in the same way, we can point to the relationship between 'regeneration and culture' in the developed world. Here too, there is much evidence of an instrumental usage of culture, but little awareness or exploration of primary investment in the cultural industries, or culture, per se (Evans, 2001).

The growing economic significance of culture has destabilised this exclusive emphasis upon culture and context and method of development, for example the expansion of cultural production (such as film and particularly music) in the developing world (Barrowclough and Kozul-Wright, 2006) and the Trade Related Intellectual Property (TRIPS) negotiations of the World Trade Organisation (May, 2006). In particular, at an international level, there is the question of whether cultural goods should be excluded from 'free trade' (the 'cultural exception'). The argument is twofold: that the historical power of the cultural industries is focused in the

US, and free trade will lead to a consolidation of this monopoly; second, that the loss of such cultural and symbolic markers would undermine political and social cohesion that constitute nation states. It is in the context of these debates that analyses of their international scope of cultural production, and the dispersed production chains, gain additional economic, social and political resonance. Before discussing the particularity of the cultural industries, we examine the concept of the commodity chain.

### Value chains and Commodity chains

The empirical organisation of economic production that sustains and constitutes the patterns and process of international trade is constantly evolving. As has been widely discussed, in the long run we can see patterns the extension of modern production and its interweaving with consumption. Whilst the archetypical Fordist production facility is no longer the norm, the dispersed tendrils of multinational enterprises have grown more obvious. Beyond this the shifts characterised by the Post-Fordist model of flexible specialisation have also 'gone global'. Thus increasingly we can see networks that may be (or not) linked to Trans-national corporations but semi-detached from them; a core organisation may sub-contract its supplies: switching from one supplier, and one locale to another to remain competitive. In the case of the cultural industries, analyses point to the fact that organisationally they have long had been characterised by the organisational form of a few core companies, a small number of intermediary medium size companies, and a multitude of micro-enterprises.

Analytically, we can make some critical distinctions between notions of chain: commodity, value or production. The notion of a commodity chain focuses more on the organisational field and how it may be re-articulated with value. Commodity chains are defined by the final commodity, however, necessarily, they incorporate many other commodities, services and manufacture. The value chain, for example as discussed Porter, (1998) is concerned to highlight at which link in the chain profitability is maximised. By contrast the notion of production chain has been used to develop an organisational analysis of any production activity, and, to stress the linkage between production and consumption. However, there are also deeper questions here that have been raised by critics of commodity chains that would also buttress production chain formulations. The epistemological assumptions of chains and

linkages have been called into question by some (Raikes et al., 2000). In particular, critics point to the assumed linearity and teleological aspect of the chain metaphor; instead they suggest more attention to iterative feedback, networks and webs to better conceptualise the flows.

Commodity chain networks, or complex production chains (which make be more like archipelagos than simple linked chains), have become a common aspect of production. Sometimes the linkages are so complex that few appreciate their extent. For example, the label of origin on a product has merely become a 'flag of convenience': components may originate from many places and in total travel many thousands of miles before being reconciled and transported to final markets. There is also a reverse flow of used and waste products.

Conceiving the process in such a way alerts us to a number of issues about how production is managed, or governed<sup>1</sup>, under such dispersed and multi-agency systems control must be exercised at a physical, as well as organisational, distance. In parallel, there are issues that concern local, and international, attempts to regulate economic activities. Recent concerns about the use of child labour in some apparel production by activists has been emblematic of the complexities of making such processes visible, and holding such organisation to account. Whilst governance is increasingly entering the lexicon of GCC, relatively little attention is paid to scale and space.

Researchers have sought to plot the linkages and to consider the function and added value at each juncture. GCC researchers, activists and policy makers have been interested in the possibility of 'upgrading' individual links in the chain: to modernise or to migrate to a new level of production (Bazan and Navas-Aleman, 2001; Blair and Gereffi, 2001; Humphrey and Schmitz, 2002). As already noted, this interest is not so far removed from a more traditional business strategy concern with managing value chains. In part the analysis of the linkages and value added is similar. Business strategy is concerned with managing the chain as a whole.

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<sup>1</sup> The notion of governance is preferred as it signals the complex internal relationship between management and regulation.

## Clusters and qualities

The core policy agenda for GCC concerns the upgrading of a linkage which it is hoped can be a potential path to the development of a region. However, this external focus overlooks the local patterns of linkages both within and across firms. More generally, this relates to a vast debate about industrial clusters. Whilst there has been much discussion of business clusters, there is little written about the trans-local linkages that intersect with them. Interestingly, it is researchers working on the cultural industries that have pioneered this work. For example, Coe (2001) has noted the multi-scalar dimension of such networks; elsewhere, Bathelt (2004) refers to as 'local buzz and global pipelines', Pratt (2006) and Grabher (2002) also note how project based production processes embed cultural producers in localities. For all of these authors the nature of the embedding of (local and international) networks, in local organisation, labour market and consumption structures is a key to explaining both the locational form of, and the organisation of production in, the cultural industries.

This work on the embedding of cultural production is not only confined to traditional social and economic categories, it is also concerned with local cultures of production, in particular issues about decisions on the qualities as well as the quantitative (price) characteristics of products and labour. Again, a recent debate in the GCC literature is informative (Murdoch et al., 2000; Daviron and Ponte, 2005). This argument challenges the assumption that qualities are objective and relate to pre-determined preferences that are unchanging in context. It is quite apparent that the qualities of coffee are critical in market positioning and success; a point well made by Daviron and Ponte (2005) is that the framing of quality itself can happen at different positions within a production chain.

Of course, such qualities are of prime import in relation to cultural goods, or any goods differentiated by symbolic values (for example, design). Moreover, in cultural goods markets this is not simply an issue of market segmentation and dispersal of demand; in fact it is quite the opposite. Cultural goods markets have been referred to as 'winner takes all' markets (Caves, 2000); so, the precise quality has massive significance. It may be that this is an exceptional quality of the cultural industries that sets them apart (in



analytical terms). However, many argue that such trends are impacting upon all sectors (Lash and Urry, 1993).

It is clear that a number of subtleties are emerging in commodity chain debates not least of which apply to quality issues. We have argued that such quality concerns, when coupled with the local organisational forms of the cultural industries, focus attention of clustering and the specificity and uniqueness of production process in the cultural economy. In particular, we have suggested that the more traditional concept of commodity chain may be less helpful compared to organisationally focused production chain analysis. Thus we take from these debates a positive concern with the 'whole production chain', and its articulation in place(s), as well as the situated nature of labour and consumption in relation to the cultural industries. In summary, this might cause us to explore the trans-local connections between, within, and across local clusters.

### **The special issue**

The papers in this collection seek to begin their analysis from the general position outlined above. The collection takes the case of cultural commodity chains (or, the international production chains of cultural products) and explores their particularity, and evaluates the utility of GCC to explain outcomes. The logical extension of this argument would for an exceptionalist account of the cultural industries might be, of course, that there are also differences within the cultural industries. This last point is illustrated here by the selection of a range of papers covering different cultural industries.

The first of the contributors to this special issue, Sally Weller, focuses on the beauty, fashion clothing and fashion media industries. Weller is generally critical of the GCC concept arguing that its commodity-based and sectoral field of vision is unduly restrictive and thus obscures critical trans-sectoral associations not grounded in the exchange of commodities, she also stresses the importance of the co-ordination of knowledges as to what constitutes fashion at any one time and place. This point is also taken up in Dominic Power and Atle Hauge's paper on branding; this paper highlights the ways in which knowledge networks are represented and encapsulated in brands, and that they provide a bridge between production and consumption. Susanne Reimer and Deborah Leslie's paper explores the furniture design industry. In

their paper they are particularly concerned with issues associated with the spatialisation of commodity chains, in particular they discuss the intersection with notions of national identity.

It is clear that understanding cultural production chains is important (Pratt, 2004a; Pratt, 2004b). A critical perspective on the notion of commodity chains is needed more generally; in particular one is needed to address the particularity of cultural production. Moreover, there is a general need to move beyond the impasse of culture versus economy debates. Looking at the cultural industries would seem to have great value as the embodiment of a tension, and a resolution, of these conflicting positions. In no less a significant way the study of production chains has the possibility of resolving the split within economic and social geographies concerning the primacy of consumption vis a vis production. A new conception of the interconnectedness of production and consumption, which once again, the cultural industries seem to exemplify, is worthy of study. Finally, as we noted earlier, the particular spatiality and organisation of these process are also critical. Are they firms, networks or clusters? Are any of these autonomous or are the networked in a trans-local fashion: if so what are the consequences? This is an exciting moment to be reengaging with economic geographies not as they 'ought to be', but as they are actually practiced.

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