

**CULTURE, ECONOMY, POLICY:  
TRENDS AND DEVELOPMENTS**

by

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## **CULTURE, ECONOMY, POLICY: TRENDS AND DEVELOPMENTS**

### **INTRODUCTION**

The important nexus between culture and economy is by no means a recent development nor a novel inclusion on the social science agenda. As Harvey pointed out in his foreword to Zukin's (1988:x) *Loft Living*, the artist, as one 'representative' of the cultural class, has always shared a position in the market system, whether as artisans or as "cultural producers working to the command of hegemonic class interest". In the last two to three decades, in the United States and more lately, in western Europe, cultural activities have become increasingly significant in the economic regeneration strategies in many cities. Geographers, however, have been slow to analyse this integration of the cultural and the economic in explicit terms and it is only in recent years that a reworked cultural geography (Cosgrove and Jackson, 1987; Kong, 1997) and a "new" economic geography (Thrift and Olds, 1996) has considered the constitutive role played by culture in economic development and the way in which economic forces are in fact culturally encoded (see Ley, 1996 and the other papers in the special issue of *Urban Geography*, 1996). Often, this relationship between the cultural and economic is facilitated, enhanced or hampered by policy. Yet, as in the idealist tradition, many more state cultural policies have been based on the notion of culture as a realm separate from, and often in opposition to, the realm of material production and economic activity than is explicitly acknowledged (Shuker, 1994:54).

The five papers that follow deal with various dimensions of culture, economy and policy from a number of distinct geographical, economic and socio-political contexts. As a prelude and backdrop to these specific discussions, I will provide in this introductory review, the historical context within which to cast the five contributors' contemporary discussions. Specifically, I will outline the trends and developments in the nexus between culture, economy and policy, drawn primarily from the literature that exists on the experiences in the West. I will begin by taking the reader through some attempts at characterising the relationships between culture, economy and policy as the world enters the 21<sup>st</sup> century, followed by an overview of how cultural economic policies have developed from the 1950s onwards, particularly in the West. I will then provide an overview of the papers to follow, highlighting the common areas of analyses and the distinctive contributions to the literature on culture, economy and policy.

### **ON THE RELATIONSHIPS BETWEEN CULTURE, ECONOMY, POLICY**

Research that interrogates the mutually constitutive relationship between culture and economy has grown mainly in recent years, a reflection no doubt of the conditions as we enter the 21<sup>st</sup> century. As Scott (1997:323) points out,

... capitalism itself is moving into a phase in which the cultural forms and meanings of its outputs become critical if not dominating elements of productive strategy, and in which the realm of human culture as a whole is increasingly subject to commodification, i.e. supplied through profit-making institutions in decentralized markets. In other words, an ever-

widening range of economic activity is concerned with producing and marketing goods and services that are infused in one way or another with broadly aesthetic or semiotic attributes.

The relationship between culture and economy is dialectical, for while local cultures contribute to the nature of economic activity, economic activity is also part of the culture-generating and innovation in particular places. While this connection is true for cultural as well as non-cultural products, in cultural-products industries, the connection has special significance because of the "intensity of the recursive relations between the cultural attribute of place and the logic of the local production system" (Scott, 1997:325).

Increasingly, local and national governments have recognised this connection between the cultural and the economic, and have sought to reap the benefits by deliberately formulating and implementing policies that harness the linkage. Such "cultural economic policy", as it is often called, has been the subject of increasing research attention although it is not always agreed what constitutes a cultural economy and a cultural economic policy.

As a starting point therefore, and to establish some common understanding for the specific papers to follow, it would be useful to briefly take stock of the discussion on what constitutes a cultural economy and a cultural economic policy. Lash and Urry (1994) characterise cultural industries as innovative, flexible, creative, existing at the intersection of the local and global (e.g. global distribution networks which rely on local distinctiveness), and at the front of the post-industrial, information and knowledge-based economy. Scott (1997:333) suggests that particular production relations and distribution methods characterise a cultural economy. In particular, cultural-products industries can roughly be epitomised in terms of five main technological-organizational elements: considerable amounts of human handiwork, complemented by advanced flexible computer technologies; dense networks of small- and medium-sized establishments that are strongly dependent on one another for specialised inputs and services (though large and relatively integrated firms are also common); huge demands on local labour markets and enormous demands on worker skills; enjoyment of external economies, many of which benefit from mutual learning and cultural synergies made possible by the presence of many interrelated firms and industries in one place; and the presence of institutional infrastructures that ease the functioning of the local economy.

Given these characteristics of cultural industries, the type of cultural work that would fall under their purview would include a whole range of activities, from "the arts, the media, the crafts, fashion and design to sports, recreation, architecture and townscape, heritage, tourism, eating and entertainment, local history, and the characteristics of the city's public realm and social life, its identity and external image" (Bianchini, 1993:209; see also Wynne, 1992; Kearns and Philo, 1993; Landry and Bianchini, 1995). This diverges from earlier conceptions of "culture" as referring purely to the "high arts". In fact, various authors have been careful to pose reminders to governments of the need to seriously recognise the important contributions and impacts of popular culture in their cultural policies. Rieff (1993:76), for example, pointedly expresses this when he argues that the prestige and economic significance of high culture is waning, and increasingly, operas, symphonies and even museums

can only survive through state subsidy or private philanthropy. On the other hand, he argues,

All things being equal, Wal-Mart is a better investment than Gucci, just as Michael Jackson is more valuable as a cultural commodity (both in the literal sense of return on investment for those who underwrite his recordings and tours and in terms of the numbers of people throughout the world who are affected by him) than Yitzhak Perlman or even such desperate popularizers as Luciano Pavarotti (Rieff, 1993:76).

This is an about-turn from many earlier positions in which popular culture was (and sometimes, still is) constructed as commercial, inauthentic and so unworthy of government support, investment and encouragement, in opposition to 'high culture' or 'the arts' (Shuker, 1994:54).

Cultural economic policies conceive of culture in the language of economics, "with the attendant measurements applied to policy analysis: investment, leverage, employment, direct and indirect income effects, social and spatial targeting and so forth" (Booth and Boyle, 1993:22). Frith (1991:140) identifies three types of cultural industries policy: an industrial cultural policy which focuses on the local production of cultural goods to be consumed nationally or exported, such as electronic goods (the radio, discman etc.) and the mass media; a tourist cultural policy which focuses on "those cultural goods which can only be consumed locally - the consumers are the 'imports', coming in to experience each city's unique 'aura'"; and a cosmetic cultural policy, in which culture is a sort of "urban make-up, to be invested in because it helps a place seem attractive not just to tourists but to visitors who might decide to stay - investors looking to locate new industries, new sorts of white collar employees".

## **DEVELOPMENT OF CULTURAL ECONOMIC POLICIES**

Cultural economic policies are but one aspect of a larger set of policies broadly termed 'cultural policies'. Bassett (1993), and Bianchini (1993a) for example, examine the historical development of cultural policies in Britain and Europe respectively and illustrate how, in the 1950s and 1960s, cultural policies conceived of 'culture' narrowly as the "pre-electronic 'arts'" (Bianchini, 1993a:9), with little sense of how these cultural resources could be exploited for economic development purposes.

The same neglect of the economic potential of cultural resources was carried into the 1970s and 1980s, when cultural policies served social and political agendas rather than economic ones. These decades were characterised by new urban social movements which prompted politicians to give greater political and cultural autonomy to the grassroots. As part of these movements, politicians began to adopt a wider definition of "culture" and to see cultural development as an integral part of urban policy and politics. The goals were to enable greater access to cultural facilities and activities for all citizens, promote individual and group self-expression, encourage face-to-face interaction and promote community rebuilding, and counter trends towards domesticisation of cultural consumption (through the growing popularity of television and videos). In other words, there was a reassertion of the city centre as a "catalyst for civic identity and public sociability" (Bianchini, 1993a:10) and the primary goal of cultural policy was to enhance community-building. Economic (re)construction through cultural resources was not critically on the agenda.

However, from the mid-1980s especially, this emphasis on personal and community development and participation, and the revitalisation of public social life was replaced by “a language highlighting cultural policy’s potential contribution to urban economic and physical regeneration” (Bianchini, 1993a:13). Based on the experiences of cities such as London, Glasgow, Birmingham and Newcastle, mid-1980s to 1990s cultural economic policy may be characterised in four ways. First, there is growing investment in the infrastructure needed for cultural production, for example, studios, workshops, marketing and support organisations, and the planning of “cultural districts”. Relatedly, there is increasing support for new technology sectors, such as television (cable and video), “central to the whole field of popular culture” (Bassett, 1993:1775). Second, there is the launching of “flagship” development projects for arts centres, theatres, and concert halls in inner-city areas and the launching of high profile events or festivals, often linked to local heritage themes, to encourage cultural tourism. Third, there is investment in public art and sculpture and the revival of urban public spaces for multiple forms of activity (Bassett, 1993:1775). Fourth, there is growing partnership between business and public sector agencies, including developers, banks, and companies of national and international significance (Bianchini, 1993a:2).

If effectively implemented, cities can derive multiple benefits from cultural economic policies. Myerscough (1988) highlights how direct employment for a significant proportion of the population can be gained through the growth of firms in the cultural industries sector, how growth in ancillary industries may be stimulated, how urban renewal processes could result catalytically, how the image of a region could be improved, and how a place could be made better to live and work in. The development of cultural industries in cities could also give rise to intra-urban cultural synergies. This is because these sectors transact with each other intensively and draw on similar labour and material resources, as well as design cultures and images rooted in the local urban context (Molotch, 1996). Marshall (1920) referred to this synergy between the cultural and the economic as the beneficial effects of ‘atmosphere’ in nineteenth-century industrial districts. Further, Bassett (1993:1783) points out how cultural economic policies would supplement tourist strategies, encouraging overnight stays and conference bookings. In addition, a high cultural profile could swing a relocation decision by the kind of company needed to attract highly skilled professionals. In that sense, cultural policies can be used as “symbols of modernity and innovations” (Bianchini, 1993a:15; Bassett, 1993:1779). A significant value of a successful cultural economic policy is therefore the image that it will create of a city, underscoring the rise of the representational, the growing importance of image consciousness associated with modern economic formations, in which the image becomes a currency in and of itself (Thrift and Olds, 1996:314; see also Burgess and Wood, 1988; Watson, 1991). At the end of the day, while cultural facilities and resources may not be more important in “determining a city’s appeal to investors than local educational and skills levels, the quality of local schooling and of the local environment”, they have, however, become “increasingly important complementary factors in the competition between cities possessing similar advantages” (Bianchini, 1993a:18). Cultural activities could also attract people back to downtown areas, making other consumer developments more profitable (Bassett, 1993:1779).

Why did this emphasis on the economic potential rather than social and political role of cultural policies come about? Two main sets of conditions precipitated the change, which are consumption and production related. First, Bassett (1993:1775) argued that changes in cultural consumption and social class led to a general rise in the consumption of cultural products. This, in turn, was related to a decline in working time and an increase in the proportion of disposable income spent on leisure activities (Bianchini, 1993a:1). Second, the loss of jobs in traditional industrial sectors with the collapse of the industrial base in many cities, the need to adapt to the processes of economic restructuring of the 1970s and early 1980s, and growing competition in the new post-industrial service economy prompted governments to reexamine their cultural policies and mine the potential role of cultures for economic gain. Indeed, as cities compete for scarce new investment, the competition to use cultural policy to guide “place marketing” (Kearns and Philo, 1993) has become increasingly important and necessary to construct images of new post-Fordist, consumption-oriented cities to attract investors, promising a good quality of life for executives and other mobile skilled international personnel (Bassett, 1993:1779; Bianchini, 1993a:1). In this sense then, cultural policy of the 1980s and 1990s has become a response to the globalisation of capital (Booth and Boyle, 1993:22).

While useful, some cautionary words must nevertheless be sounded about the implementation of cultural economic policies. First, Bianchini (1993a:15) has indicated that the direct impact of such policies on the creation of wealth and employment is often actually relatively small. In fact, Bassett (1993:1785) indicates that many of the jobs in the sector are likely to be low-paid service jobs. Many small firms in cultural industries also have high failure rates. Furthermore, not many cities can achieve success as major cultural centres. There are threshold levels in the provision of various forms of high art. Smaller cities will find it difficult to compete while larger cities will benefit from linkages and feedback effects between artistic sectors. A possible strategy that small cities can adopt is to cooperate with neighbouring cities in cultural specialisation and joint marketing (Bassett, 1993:1785). More crucially, however, there are tensions and contradictions within many a cultural policy, tensions which Bianchini (1993a:3) has characterised as differences between “old and new, social and economic, community and elite-oriented” policies. In particular, there is, first, a divergence between policies which encourage exclusive high culture and those more populist which seek to encourage popular access to them. Second, there is a tension between developing elite flagship programmes to enhance urban competitiveness as opposed to decentralised, community-based provision of more popular cultural activities, targeted particularly at low income and marginalised social groups. Third, there is a conflict between cultural policy as an internationalisation strategy emphasising growth and property development versus the need to protect and develop indigenous local and regional identities and the cultures of socially and economically disadvantaged immigrant communities especially (Bianchini, 1993a:19), particularly where community self-development and self-expression are of concern (Bassett, 1993:1785). More radical critiques of cultural economic policies are that they are a “carnival mask” because they allow politicians to “conceal growing social inequality, polarisation and conflict within cities”, or, “optimistically, as a ‘social glue’ for integrating new immigrants, encouraging social cohesion and shaping new civic identities” (Harvey, 1989a, quoted in Bianchini, 1993a:14). This critique of cultural policy is further emphasised in the rejection of culture in urban regeneration as “mobilisation of the spectacle”, a crude way of trying to “justify and repay contemporary urban lifestyles” because the gentrified city that is often close to the central business district

needs the urban spectacle to reinforce residential choice (Harvey, 1989b, cited in Booth and Boyle, 1993:22).

As cities see out the 1990s and enter the 21<sup>st</sup> century, reflections on comprehensive holistic cultural planning that is truly regenerative have emerged. While cultural policies were innovative in the symbolic and economic spheres in the 1980s, linked as they were with the “selling of places”, in the late 1990s and beyond, Bianchini (1993b:211) suggests that policies on culture will have to be linked with policies on education, training, research and development. This is because the economic success of cities will depend on advanced industries and services which make intensive use of high-quality human resources with specialised skills and knowledge. To be truly effective therefore, cultural policies should not be measured purely by income or employment generated but should contribute towards improvement in the quality of life, social cohesion and community development. The really important mission, according to Bianchini (1993b:212) is to develop a cultural planning perspective that is “rooted in an understanding of local cultural resources and of cities as cultural entities - as places where people meet, talk, share ideas and desires, and where identities and lifestyles are formed”. To do so requires that there is “an explicit commitment to revitalise the cultural, social and political life of local residents” and this should “precede and sustain the formulation of physical and economic regeneration strategies” (Bianchini, 1993b:212). This argument is made by other writers in various guises. Wynne (1992:x) calls for the arts to be made a daily part of people’s lives, socially and economically, and argues that only then will they “reside within the wider community associated with that everyday life, rather than existing as an appendage to it ... in some exclusive arena outside of everyday experience”. This, he argues, makes for the arts as a form of investment (providing both economic returns and quality of life) rather than subsidy.

### **WHAT THE PAPERS OFFER ...**

The five papers that follow address various aspects of the issues raised above. In some way, all five papers attempt to draw together the economic and the social and/or political relations in cultural policy and activity, reflecting the growing recognition of the integral relationship between these spheres of life (Thrift and Olds, 1996). Coe's paper, for instance, highlights the significance of these relationships at the interpersonal level, aiding in obtaining finance and securing distribution while Lovatt *et al.* discuss how risk in cultural industries are minimised through the use of existing social networks such as regulars and friends. Specifically, Coe's analysis of the indigenous film industry in Vancouver addresses the issue of how economic actions and social relations are inseparable. He illustrates the ways in which interpersonal ties and social networks contribute to enhanced economic opportunities, for example, in obtaining financing for films and distribution outlets. He therefore argues for attention to be paid particularly to the embeddedness and embodiment of these relations in key actors at the level of individuals, shifting the analysis from current literature which focuses on the embeddedness of organisations and institutions. Similarly, Lovatt *et al.*, in addressing issues of risk and trust, draw from their work on Micro and Small Enterprises within Manchester, England, and illustrate how the blurring of work and leisure became a way of reducing risk in the high-risk cultural industry. Specifically, living a full social life was identified as a strategy for knowing one's market and picking up work opportunities. At the same time, trust within the industry is often developed in informal, social ways, with starting out firms seeking out 'mentors' and trustworthy,

knowledgeable individuals who could offer advice, contacts, market information and so forth. As with Coe, social relations, at the level of the interpersonal, is emphasised here.

Unlike Coe and Lovatt *et al.* who emphasise the intersection between the social and cultural, Kong draws attention to the intersection between the cultural and political, highlighting political and ideological interests in the construction of state cultural policies, and its emphasis on cultural industries for economic development. In turn, the responses of cultural practitioners to such ideological constructions in Singapore are also examined. This explicit focus on the role of state policy in the development of cultural industries is paralleled in Brown *et al.*'s paper on the music policy of three English cities – Liverpool, Manchester and Sheffield. They seek to situate the place of music policy within the wider development of cultural policy and urban regeneration over the last ten years. They examine the development of cultural quarters (fringe geographically defined areas of city centres where local authorities have sought to concentrate economic activity in the cultural sector) and the place of popular music in these cultural quarters. In so doing, they address various issues: the need to situate cultural economic policy (here, music industry policy) within the social, cultural and economic contexts of the cities; like Coe and Pratt, the importance of place and networks in the development of music scenes; and the relationship of local music policies to the local, national and international structure and development of the music industry.

This interconnectedness of the various scales of cultural industries -- the local, national and international -- is a theme that re-emerges in different ways in all the papers. In various ways, all the authors underscore the interrelationships between local, national and global conditions in impacting cultural policies and cultural industries, reflecting the ways in which scales are “nested” (Swyngedouw, 1997). What is evident in all the papers is that, in spite of the undisputed presence of the global, it is not necessarily hegemonic. Indeed, that which is local and located is significant, if not pre-eminent in the sustenance and development of cultural industries. This is nowhere more evident than in Pratt's argument against the assertions of technological reductionism and aspatiality in the literature on new media industries, and his construction of a theoretical framework to account for the spatiality of new media. Using his case example of Silicon Alley, New York, Pratt argues that in the new media industries, place and product are mutually constituted and co-constructed.

This theme section offers both theoretical reformulations as well as specific empirical case analyses covering a range of cultural industries -- film, music, fashion, and new media. While addressing a range of issues central to any analysis of cultural industries, a host of other issues remain to be interrogated elsewhere. I highlight but three here as a way of pushing the agenda further. First, there is need to engage debates over government economic intervention in the market place versus the operation of the free market (see Shuker, 1994, for example). Second, contradictions in state policy between wanting to develop cultural industries but simultaneously wanting to keep out cultural influences must be addressed. Cultural policy, as illustrated by Kong (this volume), then becomes a thin line to walk between social regulation and economic development. Third, the issue of whether cultural industries and the coterie of policies surrounding them are in fact a largely developed world phenomenon deserve some attention. The challenge is as much the attainment of an



understanding of the processes involved and the successful and sensitive implementation of cultural policies in different contexts.

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