Cultural and Creative Industries concept – a historical perspective

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Abstract

Innovation and creativity are broadly used terms and Creative Economy concept is present in European and other countries policy documents, including EU policy, UNDP and other international organization strategies. In Latvia the use of the Creative Industries term increases, however the understanding of its implications often causes confusion, both among policy makers and the broader public. The aim of this article is to establish a better understanding of the principles of Cultural and Creative Industries and the concept of a Creative Economy using historical reasoning from relevant literature. Formal use of the term Creative Industries is quite recent (1994), marking the digital era of cultural industries and creativity. However there are roots back to the industrial revolution and urbanization, cultural industries from the 1930s, popular culture, ideology distributed through mass media and contra culture rebelling against the capitalist drive of mass culture.

Introduction

Innovation and creativity have become broadly used terms in many national development strategies. The Creative Economy concept has been derived from the innovation concept, combined with creativity from Creative Industries. The Creative Industries concept in policy documents suggests added value, exports, and new jobs, implying a foundation of competitiveness. Innovation and creativity terms are used in development strategies worldwide and are included in policy documents of the UNDP, OECD, WTO, World Bank and other large international organizations.

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organizations. Policy makers are stressing that innovation, creativity and independent thinking are increasingly crucial to the global economy.

Given current challenges the global economy in the broader sense requires a different approach to achieve the needed growth within requirements of sustainable development – new approaches of inclusive growth, not based on financial speculation; adapting to climate change; adjustments to account for limited natural resources; protection of bio diversity requires new patterns of production and consumption based on the smart use of IT, biotech and nanotechnologies; and organizational and institutional changes at the micro and macro levels. (The New Economics Foundation)

In EU policy parlance the Lisbon strategy documents spread freely the rhetoric of an information society and a knowledge economy. While these slogans from the year 2000 appear to have re-treated somewhat, the drive for innovation still holds strong. The concept of linear innovation, pushing technological development through R&D investment, has been replaced with the more complex thinking that knowledge accumulation does not necessarily flow easily from supply side R&D and R&D does not automatically lead to innovation. Innovation occurs when someone (the innovator) assimilates and uses the knowledge to do something new with a practical application of that knowledge. Therefore, the cultural aspects of the dissemination of knowledge and know-how are important because they depend on people and society. (Innovation Policy A Guide for Developing Countries, World Bank, 2010) The focus of the present Europe 2020 innovation strategy is the gap between research outcomes and access to markets within an environment of decreased financial resources. (EU Innovation Policy in 2012 – Challenges, trends and responses by Technopolis Group, 2012)

The term creative economics is derived from the term creative industries, previously referred to as cultural industries. The concept of the creative economy extends creativity in the whole of the economy, including socio-economic processes and the organization of labor or creative means.

The use of the term Creative Industries in Latvia increases, however understanding its implications often causes confusion, both among policy makers and the broader public. A review of relevant literature would establish the historical reasoning of the Cultural and Creative industries and Creative economy, especially with the notion that the development of these concepts reflect Western European history, a description of events which the Baltic States in the second half of the 20th century did not share.

The aim of this article is to establish a better understanding of the principles of Cultural and Creative Industries and the concept of a Creative Economy using historical reasoning from relevant literature.

1. Cultural and creative industries context

The idea of creativity becoming an asset has been part of economic policies since the 1990s and have evoked a variety of new terms, such as the “creative sector”, “copyright industries”, “content industries”, “experience economy”, “creative business sector”, “art centric business”, “cultural and communication industries”, “media industries” and “knowledge economies”. Are these themes of activity part of “non-technological” innovation? The definitions and concepts of these new terms are not certain and their use would depend on interpretation.

The concept of creative industries was first documented in 1994 in Australia when the government released their new cultural policy “Creative nation”, designed to help Australia to embody new IT opportunities and the growing wave of global culture enabled by digital media. Creative Nation was presented as cultural policy but it was also essentially an economic policy. This was the first time an Australian federal government, led then by Prime Minister Paul Keating, formally developed a cultural policy, which was supported by additional funding of A$250 million to cultural institutions. The report emphasized culture’s importance to national identity and defined culture more broadly than earlier conceptions, by including film, radio, libraries and other areas. It also stressed the economic potential of cultural activity and arts. Cultural policy as economic policy: “Culture creates wealth. Broadly defined Australian cultural industries generate 13 billion dollars a year. Culture employs. Around 336,000 Australians were employed in culture-related industries. Culture adds value; it makes an essential contribution to innovation, marketing and design. The level of creativity substantially determines the ability to adapt to new economic imperatives. It is a valuable export in itself and an essential accompaniment to the export of other commodities. It attracts tourists and students. It is essential to economic success.” (Creative nation: Commonwealth cultural policy, October 1994, Department of Communications and the Arts (now Office for the Arts), 1994).
The UK started to articulate the creative industries concept with New Labor coming into power in 1997. At the time there was active thinking over the development of ICT and the ideas of creative industries and economies being built in parallel, enabled by ICT developments. It seemed that at first the term of creative industries just replaced that of cultural industries, thereby impacting arts and media policies.

According to Nicolas Garnham (2001) neo-liberal perspectives in the United Kingdom in the decades of the 1980s and 1990s brought the development of ICT: ‘The use of the term creative industries can only be understood in the context of Information Society Policy. It draws its political and ideological power from the prestige and economic importance attached to concepts of innovation, information, information workers and the impact of Information and Communication Technologies drawn from Information Society theory’. Garnham explains how the potential decline in 1989 of business in the City of London, which then represented 7% of Britain’s GDP, influenced policy making and led to the Creative Britain report. In the report there is a clear link between the development of creative industries and ICT and the scope of creative industries was extended to sport, tourism, leisure parks and related areas. The principle is that when creative and media industries join with digital technology, they become an essential source of jobs and creativity for the whole economy. The concept of “Making a business of Information” (1983) was developed by the UK’s earlier Conservative government and then continued by New Labor under Prime Minister Tony Blair. This policy theme already included ideas about creative industries. The Creative Britain re-port also recognized that links to ICT and creativity would require public policies to promote businesses to encourage IT training and government to look strengthen intellectual property issues, without which it would be difficult to increase the product value created and distributed through digital networks.

It is important to understand how creative industries have developed from the cultural industries because the history of cultural industries is grounded in the industrial revolution in the 19th century, through to the 1930s when the term cultural industries was first used, although in a critical way. The Avant-garde of the 1930s ironized about mass culture – how radio, the gramophone, cinema and cheap novels made culture available for the masses while simultaneously diluting the value of such culture through its artificial reproduction and wide distribution.

2. Culture and industrialization

Industrialization is a shift from an agrarian society to an industrial society and represents a wider social change and economic development closely linked to technological innovation. Technological innovation influences economic and social development because improved productivity changes consumption patterns and the way how people organize their lives. Thus technology influences culture and culture influences technology or technological innovation leads to social innovation as society adapts to new technology and then seeks for new solutions.

This modernization process from the early 19th century included not only the industrial use of the steam engine but also other significant innovations such as higher level precision in clock mechanisms which enabled industrial mechanization, glass processing and chemical technology inventions, workers’ specialization according to production tasks, the development of service professions and consequent changes in society structure and behavior. With industrialization came the need for standardization in order to fit factory machine mechanical limitations, schedules, shift work, new energy sources like coal and electricity along with tremendous development of urban and regional transportation. (Sullivan, Arthur; Steven M. Sheffrin 2003). Industrialization triggered extensive reorganization of the economy for the main purpose of manufacturing. Urbanization created a high density of population, causing public health risks, epidemics (like cholera), new city and factory cultures affecting family and peer groups. Supporting factors included wealth capital available to invest in manufacturing and colonial trade networks, and the culture of hard work, taking risks and developing new ideas. It was also the beginning of modern economics with Adam Smith’s famous The Wealth of Nations – the first modern work of economics; and "the invisible hand" as the interpretation of competitive market forces.

Industrialization brought a philosophical change in attitude towards nature, society or community and the process of rationalization. As industrial workers’ incomes rose, consumer goods and services markets of all kinds expanded and provided a further stimulus to consumption, industrial investment and economic growth and economic rationalization lead to ignoring societal matters.
Depending on how they are counted there have been several industrialization waves in modern history. The first is marked as a shift from agrarian to industrial society in the mid-18th to early 19th centuries, known as the Industrial Revolution in certain areas in Europe and North America.

The second industrialization wave from the mid-19th century was a period of automation, enabled by the refinement of the steam engine, the invention of the internal combustion engine, the generation and distribution of electricity, the construction of canals and railways and widespread use of assembly lines in factories.

The third wave is marked in 1922, a tipping point after which the service sector in Europe and North America generated more wealth than the manufacturing sector of the economy. Hence the post-industrial society was born. Post-industrial society is a sociology concept.

Another wave classification in literature is a shift towards renewable energy and the digital revolution or information age. These clearly are major shifts based on technological change, which have fundamentally changed our culture and how society communicates and behaves.

3. Cultural industries

The concept of cultural industries was first used in the early 1940s by Theodor W. Adorno, a member of the influential Frankfurt School, composed of scholarly refugees from Nazi Germany. From a leftist’s perspective, Adorno critiqued the “culture industry” through which corporate producers exercised control from the top down, undercutting any hope that culture “arises spontaneously from masses themselves”. Adorno (1903–1969) and co-author Max Horkheimer (1895–1973) used the term in their chapter “The Culture Industry: Enlightenment as Mass Deception”, of the book Dialectic of Enlightenment (1944). Adorno replaced “mass culture” with “culture industry” (in singular form) to express that mass culture does not mean that it comes from the masses but that it is produced for the masses. Ironically for a leftist such as Adorno, since the “commodification of the culture forms or artistic objects”, and “cultural forms create a means of income for their creators, so profit has become more important than the artistic expression”. Adorno addressed the problems of mass culture and the relationship between ideology and capitalism in terms either of an elite/mass or a base/superstructure distinction and commercialization of culture as vulgarization because of the mass’s lack of education. Connecting the term “culture” in its “idealistic” notion and term “industry” referred both to Marxist economic concepts of com-modification, commodity exchange, capital concentration and worker alienation at the point of production, and to the concept of rationalization. Attention was shifted from the content of culture to its forms, and from the cultural product to the relationship between culture producers and culture consumers.

As Nicolas Garnham (2005) explains, that by referring to the term "industry", Adorno does not point to the production process but at the "standardization of the thing itself" and to the rationalization of distribution techniques and not strictly to the production process. It is industrial more in a sociological sense, in terms of incorporation of the industrial forms of organization, even though nothing is manufactured. For Adorno and Horkheimer it was not a manipulative use of ideology and propaganda but a shift to the commodification of cultural products and turning cultural producers into wage laborers within increasingly concentrated large-scale corporations. (Nicholas Garnham 2005)

Despite its origins from critical theory, the term cultural industries provide this paradoxical link between culture and industry. It explains the notion of cultural production in a capitalistic society. It expresses how technological innovations have transformed artistic practice and emphasis on market commodities rather than on culture as an industry, as a process of production with limitations and problems, complex and diverse industries competing for the same pool of disposable consumer income, time, advertising revenue and labor. The cultural industries approach provides an explanation of concentration and integration, which are features of capitalist production – including media production.

Cultural industries are defined as those, which have industrial production and organization to pro-duce and disseminate symbols. This definition naturally points to media in general and digital media in particular. The problem of cultural production was for example the capital concentration and high risk in predicting which products or creators would achieve commercial success. All capitalist production involves risk to a greater or lesser degree but there is a substantial case for believing that the cultural industries are riskier than others.
Cultural industries are producing and disseminating cultural goods, which implies that popular cultural goods are likely to be most demanded. The commercialization, reproduction and distribution of cultural goods are more applicable in the popular part of culture.

4. Popular culture

The term "popular culture" was likely coined in the 19th century. Popular Culture comprises the ideas, perspectives, attitudes, memes images and other phenomena that are within the mainstream of a given culture, especially Western culture, of the early to mid 20th century. Popular culture represents mainstream and that is viewed as trivial and “dumbed-down”. Non-mainstream groups, such as religious groups and countercultural groups, heavily criticize popular culture, primarily to distance themselves from it. Popular culture has a reputation of being superficial, sensationalist, corrupted and consumerist. The concept of cultural industry has developed further under the influence of mass media.

After the end of World War II technological innovations changed mass media and brought major cultural and social changes. 20th and 21st century popular culture is closely linked to mass media. The meaning of popular culture began to overlap with those of mass culture, media culture, image culture, consumer culture and culture for mass consumption.

Popular culture with industrialized reproduction and distribution made cultural products available to broader groups of people and capitalistic mass-produced culture for mass consumption. Conetration of capitalistic media and concentration of capital provided grounds for ideological power and caused the creation of various forms of contra culture as a form of protest.

The term "counterculture" was first used by Theodore Roszak in his book “The Making of a Counter Culture” (1968) which chronicled and gave explanation to the European and North American counterculture of the 1960s. The book captured a huge audience of Vietnam War protesters, dropouts and rebels--and their baffled elders. “Theodore Roszak found common ground between 1960s student radicals and hippie dropouts in their mutual rejection of what he calls the technocracy – the regime of corporate and technological expertise, which dominates industrial society. (Powells Publishers Comments)

Definition: Counter culture or contra culture is a practice or activity, usually of a group or a network of people, in which the values expressed by the participants are inherently critical of or out of line with the dominant or mainstream. LeRoy (2010a) notes speaking about popular culture, "entertainment creators have come overwhelmingly from the fringes, defying their status as the social, economic, and political outsiders to which their ethnicity, race, class, gender, or lack of influential connections traditionally consigned them.” Interestingly the definition of counter-culture today is given by an online “urban dictionary” – counter culture is a culture that opposes the main culture and the main culture opposes it.

LeRoy (2010b) writes that during the 1960s and especially the 1970s there was no awareness of “history from the bottom up” nor interest about popular culture and entertainment. The study of popular culture was viewed as trivial and of insufficient academic value. Interest in the experience of common people, as opposed to powerful institutions or individuals, started with a generation shift among scholars. It was the generation who grow up with new media, new mass culture and rock and roll. This rock and roll generation discontinued previous critiques and reservations coming from the point of view of “high culture”. He also writes, that “Economically, popular culture has become the nation’s leading export”. U.S. domination of the world’s “musical soundscape,” for example, has produced what Ashby describes as “a truly international political economy of culture – with a heavy American accent.” Once a powerhouse-manufacturing center, the U.S. has increasingly focused on producing entertainment (LeRoy 2010a)

According to British professor of cultural studies John Storey (2001), there are six definitions of popular culture and each of them has some weaknesses. He shows how difficult it is to define the term because a definition is dependent upon the context. There is a “quantitative” definition expressing the mass context and the “residual” category definition identifying the leftovers from high culture. The third definition of popular culture declares that all popular culture is merely a commercial product of companies and is distributed to the people in a capitalist fashion. The fourth definition is the opposite of the third in that it defines popular culture as being derived from the
people and then transferred to commercial companies. The fifth definition is a combination of the third and fourth definitions because it takes the stance that the materials for creating popular culture are given to the people through commercial companies and the people then create popular culture with the building blocks they are given. The sixth and final definition says there is no distinction between high culture and popular culture and that all past definitions now are part of a postmodern culture. American historian Nye (1970) pioneered in popular culture studies and expressed that popular culture reinforces the familiar and unlike elite high arts tends to explore the new; it expresses the pulse of the masses.

The history of the cultural development of Western society is different from that of Eastern Europe under Communist rule. Various western cultural streams, and especially contra culture, which became part of popular culture and cultural industries in the East, represented “the other side of the iron curtain”. Eastern and western ideological aspects of culture consumption had completely different aims but used similar forms of mass media dissemination. However Eastern European countries, being physically separated, had no experience and therefore understanding of the capitalistic development of the cultural industry.

5. Urban rejuvenation

Another important part of pre-history of creative industries is urban rejuvenation, where art can play a significant rebranding role. The closure of many industrial production facilities as a consequence of post-industrial development left many urban areas with numerous derelict industrial plants and polluted spaces, not attractive for living. The topic in cultural studies is formulated as arts and urban regeneration. The idea is to use creative approaches considering architectural, urban art and community-oriented solutions. The contributions of public art could be economic, social, environmental and psychological. This is in line with a broader shift towards ‘cultural’ means to addressing the problematic legacies of deep-seated structural adjustment in former industrial cities. The advocacy of artistic intervention in the public realm shifted radically during the 1980s. Public art became increasingly justified, not in aesthetic terms, but rather on the basis of its supposed contribution to what might broadly be termed ‘urban regeneration’. Hall & Robertson (2001) Public art as urban displays provides an ‘aura’ of quality and plays a significant promotional role providing ‘cover shot’ images circulated through local, national and international media. Culture does play a role and could play an even larger one in regeneration if it is addressed properly. Gentrification is a shift in an urban community toward wealthier residents and businesses with increasing property values at the expense of the poorer residents of the community. If artists live in a brownfield area and their contribution re-brands the area, soon business interests increase rent rates and ironically most artists can no longer afford to live there.

Creative industries policy includes the idea of “creative towns”. Proposals for urban development are created by communications agencies and consultants. For example, the Comedia agency and its figurehead founder, Charles Landry published a reference work in 2000, Creative City: A Toolkit for urban innovators. The ideas address innovation and creativity in the context of cities. The Toolkit argues for the need to develop a culture of creativity within the bureaucratic structures that govern cities, the reassessment of regulatory and incentive regimes, creativity as an asset-set for the creation of wealth and legitimizing the use of imagination within the public sphere.

Some authors such as Richard Florida continued this idea, developed it and built on the theoretical level. Florida (2002) states in the Rise of the Creative Class, that the economic and social dynamism of a territory is linked as much to the presence of very broad creative professional classes of artists, writers, actors, designers or architects, as to that of scientists, engineers, lawyers and intellectuals and, consequently, towns should be provided with the best equipment and infrastructure, putting them in a position to attract all these types of socio professional categories. The presence of these creative classes would bring about the development of a new economic cycle, that of creativity, which is based on three culture factors, the three ‘Ts’, namely ‘Technology’ (innovation and high technology), ‘Talent’ (level of education) and ‘Territory’.

The idea of creative territories is developed in the ‘territories 2.0’ concept of Bernard Guesnier. He thinks that territories encourage citizens to explode with creativity in all areas: artistic (con-temporary art, street art etc.), culinary (regional flavours), craftsmanship (supported by a heritage policy), natural (parks, gardens etc.), and entrepreneurial (new activities linked to ICT, to biotechnologies, to high tech industries). From this perspective,
Social creativity would be one of the linchpins of economic expansion connected to creative industries and the creative economy when ICT and creativity come together.

6. Creative industries from 1990s onwards

Popular culture supposedly is no longer regulated by ideology as before and mainstream over time absorbs many original independent ideas. The term cultural industries refers to industries which combine the creation, production and commercialization of creative contents which are intangible and cultural in nature. The contents are typically protected by copyright and they can take the form of a good or a service. Cultural industries generally include printing, publishing and multi-media, audio-visual, phonographic and cinematographic productions as well as crafts and design.

The concept of creative industries has been used since 1990 and marks the broad wave of the digital era. Service based economies in a digital environment created new demand for the commercial application of design, text and music combined with IT solutions. In 21st century economies development is based on innovation, which places creativity in a new perspective in a post-industrial service economy. Policies are aiming to address broader issues of sustainability, where a global industrial scale contradicts localized fragmentation among SMEs, communities and diversity.

There is strong international competition in services, innovations and chasing capital. The problem of so much attention being paid to the digital side is that the cultural sector, which holds the origins of creativity and traditionally has been based on patronage, is the source of non-commercial culture. However patronage has decreased and public funding evaporates with each economic crisis, while the pressure to innovate steams ahead.

For the purpose of developing creative industries policy the UK Department of National Heritage was renamed the Department for Culture, Media and Sport. On the one hand this signals a shift away from the “traditional” high arts and their association with the values of some golden age, towards the creatively new (often associated with young, trendy and “cool”) (Garnham, 2005). On the other hand there is a shift from the marginality of the “Ministry of Fun” to a serious concern with the central business of economic policy – a shift from circuses to bread. Within this broad shift the four key themes of creative industries policy are presented as “access”, “excellence”, “education” and “economic value”.

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The definitions of Creative industries vary from country to country and similarly vary to reflect national legislation governing intellectual property protection. According to promoters of Creative Industries the base of the concept is individual creative talent and innovation and the exploitation of intellectual property. The development of the concept of creative industries is linked to the contribution of culture to the economy. Cultural industries provide cultural goods and services, which are products for consumption. For example books, films, music sound recordings, art and concerts. The richer societies become, the more immaterial consumption patterns become, when basic needs are covered and satisfied, consumption is increasingly a cultural statement (KEA 2009).

Looking at different approaches of how to articulate creative industries, researchers have distinguished four groups (ESSnet-Culture, 2012):

- The first approach is that certain sectors constitute the spectrum of creative industries. This approach is supported by Howkins (2001, 2002) who consider that creative industries is ‘just another industry’ Potts, Cunningham, (2008).
- The second group is when creative industries can be approached as a group of certain occupations – this approach is reflected mostly in the concept of a ‘creative class’ where the field of creative industries is based on occupations or fields of activity. Florida (2002).
- The third approach is holistic urban development, comprising the concept of the ‘creative city’, as proposed by Landry (2000).
• The fourth approach is seeing creative industries as an important part of the wider economic system, supporting the new economy and “is constituted as a constellation of workers, firms, institutions, infrastructures, communication channels and other active ingredients” Scott (2006).

Creative industries should not be seen simply as a sector or field because there are other forms and practices in which creative industries take place, such as creative networks, creative linkages, creative spaces and events

Conclusions

The term cultural industries refer to industries, which combine the creation, production and commercialization of creative content, which are intangible and cultural in nature.

Creative industries need to be viewed in the context of digitalization and not only culture and culture based creativity.

To understand what the concept of creative industries represents one should acknowledge the long and winding history of the 19th, 20s and recent years of the 21st centuries. Creative industries contain the notions of the digital era, which changed the context of cultural industries. Culture took industrial form in an industrial environment. The industrial revolution introduced major and evolving changes in society life, such as urbanization, new affordability and consumption patterns, work force organization principles, adapting to the economic needs of industrial production, tensions in various society levels, liberalization, but also capital concentration and the power of ideology. The industrial environment led to popular culture and the concept of commercial culture, inspiring notions of some American scholars agreeing with Levine’s conviction that amusements measured the pulse of the masses in unique ways.

From the aspect of culture and creative industries the commercial side remains within popular culture and there remains the question about the artists, who are non-mainstream creatives and who are seldom effective entrepreneurs or business managers. Market forces of innovation, being the commercialization of an idea, can fit only part of the culture process. Creatives are not simply part of the work force of wagemakers.

Attempts to measure the value of culture in economic terms is limiting because cultural value is much broader than the service value, which the “creative” can be paid for their work. The move to measure the socio-economic performance of the creative sector is a relatively recent trend. Arts and culture are marginal in terms of economic contribution and should therefore be confined to the realms of public intervention.

References


