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The cultural economy

Neil Mulholland

Old lamps for New Labour?

Shortly after taking up his new position of Secretary of State for Culture, Media and Sport, Andy Burnham launched the government’s latest ‘strategy for the creative economy’. Creative Britain: New Talents for the New Economy promises to continue the shift from an economic to a cultural understanding of economies, to ‘build a dynamic and vibrant society, providing entertainment alongside opportunity’ (DCMS, 2008). While it offers a clear definition of which industries are the ‘creative’ ones (1), Creative Britain is far from transparent regarding what it means by ‘culture’.

Throughout the document ‘culture’ is equated with an unproblematised national identity and with an Arnoldian exploitation of community and customs as a centripetal unifying force (see Arnold, 1869 and Gordon Brown, below). On the other hand ‘culture’ is repeatedly described as ‘entertainment’, a sector of the economy, a type of entrepreneurialism. In both senses, ‘culture’ is a phantom, an entirely empty self-validating buzz word. No external validating contexts are intimated, its meaning and the values it invokes are taken as a given. New Labour has been playing this game of hide and seek with loaded terms such as ‘culture’, ‘new’, ‘modern’ and the ‘social’, for a long time now. This culturalisation of politics is nothing new; nor is the service economy to which it is shackled particularly ‘new’. What then does Creative Britain signify? Is it synonymous with the ideological triumph of the ‘cultural economy’ – the thesis that the economy has become encultured, less use-centred. Is the Laddie really for cultural turn-ing?

The cultural turn has had an enormous impact in all fields of knowledge and labour (see Jameson, 1998; Ray and Sayer, 1999). It raises the importance of an expanded definition of what we call ‘creativity’ by encouraging meaning-centred research methodologies to be adopted in all walks of life. We thus live in a highly pragmatic era wherein all forms of knowledge are held to be contingent upon specific cultural assumptions. This means that all phenomena demand to be viewed from multiple perspectives in order to ensure parity and appropriateness. Dialectical materialism and monetarism are, in this light, absurdly reductionist in equal measure. While the cultural turn is often taken to involve a reversal of the base-superstructure model favoured by vulgar Marxists and the New Right alike, it actually involves a much more explicit rejection of such dialectical thought – a desire to destroy the old culture/economy dualism.

As die-hard economists, most politicians are ill-equipped to engage with this paradigm shift (see Bonnell, Hunt and Biernacki, 1999). While New Labour pride themselves in their cosmopolitan cultural credentials, they are, in practice, not often so different from their peers in this respect. As a blueprint for a post-cultural turn nation, Creative Britain often reads as a dinosaur, fixated with the role that culture can play in developing the economy
rather than in, say, how our understanding of ‘work’ may be subjectivised differently today. The old culture-economy dialectic not only remains solidly in place, it is thoroughly materialist; the economy takes precedence at all times, it is the \textit{telos} of cultural activity. Since ‘creativity’ is \textit{a priori} in \textit{Creative Britain}, it serves to prevent any discussion regarding its precise relationship with the economy, something that is also taken as read. Is the economy not a part of culture? Given that money is a symbolic representation of wealth, is the economy not also symbolic at a fundamental level? If this is the case, how can we speak of a ‘cultural economy’ as if it were separate from other (non-cultural) economies? None of this is allowed to interfere with the bottom line of \textit{Creative Britain} – that culture is just one of the ‘raw materials’ used to stoke the economy. The figures speak for themselves: ‘Two million people are employed in creative jobs and the sector contributes £60 billion a year – 7.3 per cent – to the British economy’ (DCMS, 2008, 7).

These facts communicate New Labour’s narrow utilitarian values as much in what they represent as in what they exclude. They say little about what ‘creative jobs’ are or about how soft-capitalists might be adopting more creative working habits. They say nothing about the bigger picture. Surely all jobs involve engaging with specific forms of symbolic value and are therefore just as amenable to cultural-economic analysis as the so-called aesthetic industries? Which jobs do not involve some element of creativity? This may seem like nitpicking but the implications of declaring only 7.3 per cent of the economy ‘creative’ are immense. If only some forms of work are seen as being creative, what motivation is there for working in the ‘non-creative sector’? These and many other basic strategic cultural questions are simply not addressed in \textit{Creative Britain}.

New Labour’s current line of thought contrasts dramatically with the work of most key intellectual figures in British Cultural Studies, many of whom were beneficiaries of Old Labour’s comprehensive educational revolution in the 1960s. These students grew up to be the ‘New Class’ (Gouldner, 1979), radicalised academics from working class backgrounds who questioned the aristocratic hierarchies of ‘Culture’ as policed by the ancient Universities and successfully demanded the abolition of the canon and culture’s concomitant claims to autonomy. Members of the ‘New Class’ gradually entered into government during the pre-Thatcher consensus years, slowly advancing a more socially democratic, increasingly devolved and more anthropologically-informed cultural strategy. Disenfranchised during the Thatcher years, some members of the ‘New Class’ became unwitting architects of New Labour. Advancing the enculturalisation of politics and the sociology of meaning during the 1980s, the ‘New Times’ debate (Jacques and Hall, 1989) provided New Labour with some of its Third Way reformations. What New Labour wasn’t so interested in was the academic rigor of ‘New Times’; it wanted to appropriate its key ideas for the purposes of spin.

Much of \textit{Creative Britain} is, in stark contrast to ‘New Times’, profoundly hierarchical in its conception of ‘culture’. To claim that Britain can or ought to become the world’s ‘creative hub’ is patent imperialist nonsense – culture is ordinary and ubiquitous, it has no centre. This is the inflated rhetoric of a once mighty motherland in its twilight hours: if Britain can’t have an empire it will have the world’s ‘culture’. As Britain breaks apart internally New Labour are appropriating Tory ground via vainglorious canon-building exercises, promising young British subjects access to ‘the highest quality art and culture in schools’ (DCMS, 2008, 6). This Arnoldian idea of High Culture is Victorian and simply doesn’t
Features  the politics of culture

square with New Labour’s obsession with modernity and cultural inclusion. The whole concept is a red herring – everyone has access to culture since ‘culture’ is simply the myriad ways in which human relations are structured. The symbolic exchanges that make us human are all equally ‘cultural’. Creative Britain gives little indication that New Labour are willing to accept or engage with the full implications of the cultural turn by adopting a more anthropologically informed theory of culture.

Colonising the indies

In Creative Britain ‘creativity’ is valued, primarily, as a way of making money from recycling culture as a product as opposed to living and participating in structures of meaning. New Labour likes its culture like its politics, a repackaged, brandalised, passive ‘experience’. Creative Britain is concerned with how to democratise access to the aesthetic labour market rather than with the social ethics of such forms of soft-capitalism: ‘Our creative industries have grown twice as fast as the rest of the economy in recent years, now accounting for over 7 per cent of GDP.’ (DCMS, 2008, 4) They may have done, but they simply can’t account for 100 per cent of GDP. As such, we have to admit that the creative industries are not a socially inclusive option for all. So, if Creative Britain genuinely wants to enable cultural democracy then it has to engage with the broader question of work-as-culture, with the mutually constitutive nature of culture and economy, rather than with the more narrowly construed idea of culture-as-work.

Where Creative Britain is more laudable is in its desire to provide more transparent routes of access to culture/work via collaborative and learner-centred education and through peer mentoring (Leadbeater, 2004a; 2004b; 2005). Amateurism has provided a less obvious means of accessing this kind of culture/work as New Labour think-tank Demos have argued for many years. Taking account of Leadbeater’s promotion of the professional amateur (2004a) it’s worth focusing on the crucial role that the small independent sector plays in the wider cultural economy. A slow process of learning the ropes by doing everything – haptic multitasking – is typical in creative sector independent start-ups such as small production companies, self-employed designers and artist-run initiatives (ARIs). The entrepreneurial artists and designers who start profitable indies and non-profit co-ops (or more generally what the DCMS call small and medium-sized enterprises: SMEs), however, are rarely ‘amateurs’, most if not all have been to a specialist arts school and most will have had professional practice drilled into them as an inherent part of their higher education – as Creative Britain acknowledges and strategises.

Today’s arts graduates are the product of nearly thirty years of neo-liberal ‘governance’ and almost forty years of de-canonisation and cultural contextualisation via post-Coldstream liberal studies (see Piper, 1973; Pratt, 1997). As Readings (1996) leads us to conclude, the neo-liberal overhaul of education and the postmodernist cultural turn are connected in ways that both parties would not like to admit. British art schools no longer pursue the myth of ‘pure’ learning in the arts – the socioeconomic aspects of cultural practice are entirely internalised within the sector, and it is all the better for this self-reflexiveness. Culture is permeated by socioeconomic discourse at every conceivable level – from the conception through production to distribution and consumption – just as socioeconomic discourses are now pervaded by cultural debates.
A modicum of artistic autonomy nevertheless lives on in mythical form, embodied in the indie and the non-profit co-op – transformed from their hippy roots by better how-to knowledge available from the now thoroughly historicised new wave indie media and hip-capitalism of the 70s and 80s. Playing the economics game to keep these organisations afloat is part of the creative process, a legacy of the neo-avant-garde desire to self-consciously outperform the past, to kill your heroes. The indies offer services that few others in the cultural sector can provide and exploit the arts’ unique sweat-equity labour market in innovative ways. They exploit freeconomics, open source and not-for profit knowledge.

‘Freeconomics’ (Anderson, 2008) is at the root of the immediacy that helps to generate cultural capital. The indies tend to be at the forefront of cultural developments because of the creative ways in which they make use of freeconomics. They often provide open access to their projects and developments via committee and membership organisation. Larger organisations tend to exploit this as ‘free’ research and development – but they cannot offer the flexibility, collegiate culture and loyal communitarian responses of the indies since they are corporatised rather than socially democratised. Indies are personalised – as very small organisations they have no choice other than to erode the roles of producer, distributor and consumer. This allows them to fully develop the implications of the cultural turn as far as it relates to the symbolic realm of work and the economy.

Indies are thus ‘authentic’ – this being an illusion of sorts created by the fact that the creative process is more transparent and less departmentalised than in larger organisations. The top-down professionalisation of the PR wing of larger cultural organisations is their Achilles’ heel; the dense grassroots of the indies makes it harder to see ‘product’, giving them a much more discursive, creative and integrated understanding of ‘marketing’ (which is simply a holistic part of what indies do). The opposite might be said of larger cultural organisations wherein inappropriate business models are adopted in order to brandalise and corporatise a ‘soft’ public sector. Indies are patronised in ways that many businesses would love to be. The public reward them via the level of contribution they wish to make, be it as a visitor, financial, in terms of services, goods or time and labour offered.

In this instance, Creative Britain is worryingly out of synch with the ‘copyleft’ tendencies of the SME sector it is seeking to support: ‘As ideas are the real currency of creativity, we propose a series of wide-ranging initiatives developed specifically for the sector, like steps to protect intellectual property and support for innovation’ (DCMS, 2008, 5). The draconian copyright legislation threatened by Creative Britain risks stifling innovation by commodifying ‘ideas’, making access to the ‘currency of creativity’ more difficult and the pursuit of safeguarding ideas both obligatory and inordinately expensive (and thus the domain of larger corporations).

The power of the open software network attests that, for many fundamental forms of research, cooperation can prove superior to competition. The true currency of creativity lies in the performative, in the reputation and knowledge of socially engaged agents. The currency that is in strictly limited supply is cultural capital, not trademarked ‘ideas’. Cultural capital is dependent on reputation, and reputation is something that is construed socially rather than safeguarded by legal initiatives such as copyright.

There are a few recurring issues that affect the indie sector that are equally exasper-
ated by Creative Britain’s focus on culture as a new consumer durable and low-cost ‘social enterprise’ (DCMS, 2008, 45) solution:

**Gifting the economy**

Despite exploiting the rising tide of freeconomics, little of this can be said to be genuinely ‘free’. Indie culture is paid for via time given by participants. If the participants are taking part in a non-profit co-op then they have to make money to pay the rent elsewhere (or have a trust fund) (2). Time spent on indies is often cross-subsidised in this way. Without sweat equity this gift economy would not survive. Relying on gifting the economy is not feasible in the long term.

As Hans Abbing demonstrates (2002), gift economies may sound democratic and open, but they all too often involve social bonds and duties that aren’t entirely healthy. Since they are based on reciprocal altruism, trust and communitarian spirit, gift economies tend to be closed economic systems. As Creative Britain suggests, participation in these gift economies can all too easily lead to a new kind of impoverishment since honours-based indenture is so crucial to the accrual of cultural capital. What Creative Britain misses is that in most British cities, there are numerous networks that attempt to overcome this bind, including FreeShare, Freecycle and LETS, a credit currency scheme that allows people to exchange goods and services.

**The logic of growth**

If the creative economy is to play a vital role in the economy as a whole, New Labour argue, it will have to grow. This inappropriate insistence puts pressure on SMEs to expand rapidly in every conceivable way. This risks destroying the quality of their work and decreasing the flexibility and relative autonomy that makes them successful.

It simply has to be accepted that indies do not generate enormous sums of capital and that they are not always going to be in the money-making business. Contrary to New Labour’s beliefs, in most cases a creative economy exists in order to allow or support creativity, not vice versa. The economy is often perceived as the means to a cultural end and will, for most participants, remain subordinate in this way. For the majority of people working in this aspect of the economy, ‘work’ is not primarily financially profitable. New Labour’s atomised concept of the social, as a growth ‘cultural’ economy, masks this reality and does little to support social bonds that do not offer increasingly financially profitable returns. In this sense, New Labour’s only real hope for a cultural economy rests on the gamble that surpluses produced by cultural micro-economies enter the market wherein cultural capital transforms into hard cash. This is bound to be frustrated since so many indies take pains to prevent a surplus by placing what they do in the public domain.

However, as the indies are well aware, it is also the dominance of the gift economy in the arts that enables the market economy to exploit the social obligations of public sector cultural projects. Unless participation in gift economies rises dramatically, people will continue to collaborate in their own exploitation. Participation in gift economies can never be total since, like barter systems, they are constrained by time, geography and demographics – microeconomies need common macroeconomic means to connect together to be sustainable. Indies are most powerful where they imaginatively engage with the contra-
dictions and gaps of such mixed economies rather than drop out or play the slacker card. This polymathic conception of the cultural economy cannot be conceptualised via New Labour’s unreconstructed logic of growth.

**Entropy**
Angela McRobbie (1999) demonstrates that there is natural entropy to AMIs as players get older and gain other responsibilities, burn out or move on to sell their skills to bigger things. It's important to find ways of encouraging and sustaining indies where they can be seen to continue to play a vital role both creatively and economically without assuming that they are all inherently valuable and in need of preservation. Following McRobbie, we should also recognise that what she calls ‘aesthetic labour’ by definition is not, and cannot be, the inclusive workforce that New Labour is hoping to encourage.

**Festival culture**
New Labour is fond of cheap mass spectacle: world fairs, the Olympics, Millennium Domes... The presence of an expo does not necessarily denote a healthy cultural life; on the contrary, where there is even the glimmer of a local cultural community a festival almost always drains it dry by annexing venues and absorbing resources vital to the success of the indies. Indies require relatively small amounts of funding and should be easy to safeguard. This, however, is often the first thing to go when the circus comes to town.

One way that indies have managed to operate successfully within these parameters is to *detourne* the ostensible signifiers of festival culture while retaining freeconomic business practices. In a globalised corporate culture crazy for investment-led international festivals, the onus is on local artists to defend the citadels of community culture.

In Edinburgh, artist-led gallery The Embassy corralled the efforts of the Total Kunst co-operative, nomadic independent Aurora, and apt-art galleries Magnifitat and Wuthering Heights, Hyperground as well as Cell 77, EmergeD, The One O’Clock Gun, Zug, OneZero Projects and Edinburgh Sculpture Workshop into a grassroots manifesto. The result has been the Edinburgh Annuale, a cellular organisation that exemplifies the *perfervidum ingenium Scotorum*. All of these indies are socially democratic organisations run and staffed by volunteers who are members of their respective local communities. Founded in 2004, the Edinburgh Annuale brings the activities of these indies into sharper focus, coordinating and scheduling their openings and events and creating a collectively identity for them. The Edinburgh Annuale exploits freeconomics by organising fundraising social gatherings and making extensive use of Web 2.0. Its efforts may be further amplified by more mainstream media but they reach their local, national and international audiences directly by narrowcasted and ‘free’ indie media.

Developed from the embarrassingly meaningless RAW (Real Art Week) art marketing project, Glasgow International (Gi) was established in 2005. Directed by curator Francis McKee and produced by Jean Cameron the Gi biennial has aped the Annuale’s cell-like grassroots structure. An ineffectual regional branding exercise hijacked by more quick-witted natives, Gi has become a provocative prototype for clawing back public culture from corporatists. All organisations and artists in Glasgow are invited to take part and, if selected by McKee, given much needed support. Gi is not a sleeper cell. Like the Edinburgh Annuale it’s active and vibrant – exactly what a festival should be.
Gi’s success is aided by Glasgow Council’s increasingly enlightened approach to the visual arts, its awareness that the indies in particular represent a valuable resource to the city. Edinburgh Council are yet to realise this and take appropriate action. Similarly, the SNP Government in Scotland are taking their time to realise the importance of Scotland indie culture sector. Surprisingly it’s the Westminster Government that is throwing this dog a bone, promising England and Wales that:

through the Local Government Association, and with the RDAs, we will develop a ‘menu for local infrastructure’. This will be a tool to help local and regional authorities decide which developments – like flexible office and rehearsal space, or protection of existing venues and marketing – they might pursue to attract the creative industries to their areas, kick-starting their own creative hubs. (DCMS, 2008, 12)

Those local authorities that are reliably informed and interested in the creative sector under their noses could make very good use of this lifeline – are Scots being offered the same opportunities by their government?

Creative post-Britain

Creativity is at the heart of British culture – a defining feature of our national identity. 

Gordon Brown (DCMS, 2008, 1)

Creative Britain is problematic in another way, namely that it doesn’t relate to Britain, only to England and Wales. The title of the document is thus a classic example of the unremitting misappropriation of ‘Britain’ by England (and Wales in this case) – the sort of cultural faux pas that swells support for Scottish independence – Cool Britannia, Young British Art, Britpop and Gordon Brown’s Union Flag waving being some of the best propaganda the SNP have ever enjoyed. ‘Britain’ as we know it today is the invention of King James VI of Scots (I of England) – an imaginary that is three hundred years young and ready for retirement. This corporate merger is in the process of being deregulated and dismantled to produce leaner post-British nations, principalities, provinces and regions. This begs the question: what is the ‘Britain’ in Creative Britain – is it a culture or a state or just a brand? (Steinmetz, 1999).

The UK and Scotland alike, are both cultural imaginaries first and foremost, and tax-raising states secondly. The cultural turn mantra followed by New Labour could lead many to the conclusion that culture is the determining factor, not the economy. In a rapidly globalising world, the nation state, be it British or post-British, is not the dominant site of capitalist reproduction. In a ‘cultural economy’ the discourse of national culture is always subordinated to the pursuit of a more localised, more independent, cultural capital.

The problem with this is that culture, unlike income tax, isn’t something you take direct control over as a government. Thanks to the enculturalisation of politics supported by New Labour and to the consequences of Moore’s Law (1965) of technological development, broadcasting and top-down cultural management are in retreat. Without this infrastructure there’s no hope of manufacturing a ‘national’ culture, leaving indie microcultures to fight a losing battle against New Labour’s approved atomised consumer ‘communities’ and attendant corporatised national festivals. It was Labour modernisers who advocated the
outsourcing of responsibility from arms-length quangos such as the Scottish Arts Council and the Arts Council of England to professional cultural consultants and corporatised arts agencies (kunstcorps). Has it, in the process, outsourced itself out of government?

This time bomb will be the undoing of New Labour. If for New Labour modernisers, cultural devolution has been the route to economic revolution – it is a route that has inevitably created a groundswell for further constitutional reforms, reforms that New Labour has, hypocritically, opposed. The New Labour Government in Westminster has done so since it is faced with a conundrum. Labour is a fundamentally British party, not an English one, and without Britain it risks becoming powerless. Further constitutional reforms may be as much a threat to its power base as resistance to these reforms most certainly is. As New Labour rapidly loses touch with the many microcultural Britains it has encouraged, and as Brown repeats the Tory trick of equating Britishness with Arnoldian Anglocentric clichés, then all Britons risk paying the price in the form of a Conservative Westminster Government.

The British government has long had a habit of testing out ‘new’ ideas on Scotland first – as it did with the Poll Tax. This was before devolution when it was difficult for Scottish voters to punish British political parties at the ballot box. Things are now very different and any British parties that step out of line with Scottish voters will find themselves marginalised and powerless in Scotland. The current British government has routinely attempted to use Scotland as a guinea pig – a process that it now finds is frustrated by the vigilant SNP. As a parting gift from the neo-colonial Labour Party and Liberal Democrats, Scotland is about to trial ‘Creative Scotland’ – the outgoing Scottish Executive’s replacement for the Scottish Arts Council (SAC) and Scottish Screen. The new body will abandon the arms-length policy inaugurated by John Maynard Keynes when he established what became the Arts Council of Great Britain in 1946. Creative Scotland will be an arm of the newly renamed Scottish Government now led by the SNP.

Creative Scotland positively reeks of New Labour’s wrongs so it’s very surprising to see the SNP back it all the way through the Scottish Parliament. The process of merging SAC and Scottish Screen to produce a larger body allied to branding Scotland to the tourist trade is now nearing completion, the bill having been introduced to the Scottish Parliament in March 2008 to allow the new body to be running early in 2009.

This is a centripetal direction to move in that is entirely against the centrifugal grain of the SNP’s republican and federalist aims. As the product of Londoncentric media, New Labour have played the cultural determinist card for the past ten years. The SNP, in contrast, are (perhaps unfairly) seen as an iconoclastic Presbyterian Party of the Highlands and Islands rather than as the metropolitan culture-vulture Party of the post-industrial Central Belt. The SNP has to stop tying up the swings on Sunday and formulate a meaningful cultural strategy – all the more so since their argument for independence is as much related to cultural issues as it is about the benefits of independence to the Scottish economy. They are ‘new’ to government and thus not yet marred by cynicism or defeatism. As such it’s clear what their cultural policies should not look like.

Creative Scotland is a cut-down New Labour one-size-fits-all metrocentric blueprint for the whole of the UK. It was envisaged at a time when New Labour were in a position of power in most parts of the UK and lacked the foresight and humility to see that this situation may not exist in ad infinitum. The situation has changed. As such, Holyrood must
formulate a cultural strategy that is more appropriate to the scale, demographics and geographies of Scotland just as Westminster needs to formulate a post-British strategy specifically for England and Wales.

In recognition that ordinary Scots are sovereign in their own land, and of what Robert Burns called ‘Nature’s social union’, Holyrood should take its lead from the cellular-like organisation of Scotland’s indies. Rhizomatic organisation and open sourcing aids the distribution of knowledge, as vital to the health of a culture as it is to any economy. An appropriate model would be therefore be one that is bottom-up, federal, socially democratised and smaller in scale than, say, a comparable cultural strategy for Greater London would be. Enabling flexible links with communities to emerge through the participatory nature of indie culture is clearly easier to facilitate than it is to gerrymander into place by via ill-fitting social inclusion policy and clunky brandalising. Scotland’s cultural capital is currently built on its indies and their considerable international reputation. Independent culture is one of the things that Scots excel at and that is encouraged – as identified by David (1961; 1986) and Walker (1994), among many others – by the solidarism enshrined in post-Reformation Scotland’s institutions, in its Roman law and in its pioneering universally free education.

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**References**


Notes

1. The document indicates that the ‘creative industries include advertising, architecture, the art and antiques market, crafts, design, designer fashion, film, interactive leisure software, music, the performing arts, publishing, software and computer services, television and radio.’ (DCMS, 2008, 6)

2. The counter-productive ‘hunter gatherer’ aesthetic and behaviour favoured by *Naturalwirtschaft* Trustafarians is something that indies largely shook off in the 1980s.