Development of Cultural Industries and the Spread of New Technologies*

Jaka Primorac

Introduction

In the last couple of years the term “cultural industries” has become a buzzword in the social science research communities. The proliferation of texts on the topic of cultural industries, and lately creative industries, has increased immensely. These texts have mostly come from economic policy, regional policy, urban policy analysis and cultural (policy) research. The research done on the topic is rather diverse, its scope varies from the descriptive approaches towards economic assessments of the field. As Ratzenböck et al. (2004: 10) note on the question of “creative industries” studies: “They are generally rather descriptive versus analytical and they build not so much on a theoretically funded and logically consistent differentiation of the term ‘creative industries’ but on a definition that may be operationalised in terms of economic or cultural policy.”

The aim of this paper is to give an outline of the development of the “cultural industries” field taking into account the new technologies as the agent of change in time. It is an attempt at a historical linear overview, although it should be noted that the changes presented did not occur in such a (simplified) form. In this way, this paper aims to show how the terminology around cultural industries has developed over time - how it has shifted from the culture industry, cultural industries, towards creative industries, and “other” industries. In this context, the key reference point taken to show this development is the spread of new technologies, that is, how cultural industries were developing and what the role of the new technologies is in this picture. What are the implications of the new technologies and what spaces do new technologies create that are important for the development of the culture industries? These are some of the questions that will be tackled in this paper. It should be stressed that technological development and consequently technological convergence are not

the only factors in the development of the cultural industries and of terminology connected to it, but we shall take it to be seen as a key trigger of its development, bearing in mind that not only is technological innovation crucial for the development of the knowledge-based society, but for other processes of innovation as well (Flew, 2002: 9). Resulting changes on the global level are numerous, for instance the changing nature of work, changes in patterns of creation, distribution and consumption of creative products, etc. Some theoreticians note that in this context we can talk about the creation of a new class - the “creative class” (Florida, 2002).

The theoretical background for this overview of the development of cultural industries is the field of cultural studies and sociology. The notion that “culture is ordinary”, that triggered research into pop and mass culture, is a sort of a “family tree” where the research of cultural industries has its roots. The research into the position, value and development of cultural industries as symbol creators and presenters of certain values, developed over a period of time, that is, from the importance of the relationship of culture and everyday life as crucial for cultural research, as Hoggart, Williams and Thompson highlighted in the 1960s (Barker, 2000: 15). This was “something completely different” from the cultural pessimism of Adorno and Horkheimer who saw the rise of the Culture Industry as an end to the critical abilities of culture. Therefore, it is important to stress that “the cultural studies sociologists were concerned with the limited and incomplete nature of attempts to extend capitalism into the realm of culture. They saw the cultural industries, in other words, as contested, a zone of continuing struggle” (Hesmondhalgh, 2002: 16), and this dynamic nature of cultural industries is our main interest.

**Dual “nature” of cultural and creative products**

Connected to the discussion on cultural industries is the ever-present discussion on the value of culture: one has to bear in mind the duality of the nature of cultural products - their concrete presence and their immaterial value. That is: “cultural products and services have both a tangible element such as the platform or product format (CD, computer disk, printed paper or film reel) and an intangible element, which determines their content, through meaning or symbolic representation” (UNCTAD, 2004: 6). One has to note that the duality is present on another level as well - cultural products are not only available as consumer goods but they can also be in the form of cultural services. In this context one has to stress that new technologies are influencing directly as well as indirectly both aspects of cultural products. It
is not a one-way process, and new technologies are not the only influencing factor, but they are important considering the role they have and how they are used, taking into account radical changes including mp3, p2p, various intranets, broadband etc. Therefore, cultural and creative products are not like other products, or as Venturelli (2000: 7) stresses: “Unlike automobiles, toothpaste, appliances, or textiles, information products are not consumed one unit at a time. Rather each product unit is designed to be utilized repeatedly by many, thus becoming more valuable with use”. Therefore, research in the cultural sector is even more complex, as the value of products can change over time depending on the current fashion, not to mention the ever more complex issue of defining culture as such.¹ One has to add that the “cultural industries” have almost replaced the term “culture” concerning how much the term is used, as it is more popular to talk about the cultural industries rather than just culture. ² This shift towards the instrumentalization of culture and creativity is related more to the process of introduction of knowledge and information to the mode of production, as Castells noted, to the informational mode of production (Castells in O’Connor, 1999).

In the beginning there was “The Culture Industry”…

Taking into account these key characteristics of cultural and creative industries let us now take a look at how the development of the culture industry occurred. What triggered the shaping of the field and how did the terminology change over time? How did we come from the Culture Industry, through cultural industries, creative industries, content industries, copyright industries and even experience industries? How did this combination of the terms culture and industry occur? These are some of the questions that will be tackled later on in the text.

To answer some of these questions we should go back to the year 1944, when Adorno and Horkheimer introduced the term “Culture Industry” to cultural research. It started as a critique of “mass culture” and the standardization of all means of production (Adorno and Horkheimer, (1993) 1944). The term itself appears in the period of the development and

¹ A number of articles start with a sentence like: “As Raymond Williams noted, the word ‘culture’ is the most complicated word in the English language” (see in Flew, 2002; Oakley, 2004; etc.). It seems that everybody forgets that it is a complex word in other languages as well.
² I dare say that this disappearance of “culture” is rather significant, i.e. the instrumentalization of it in urban development research, and the switch of cultural towards creative industries show the tendency to allow the whole field of culture to be left to market forces.
massification of cultural products and contents through the new technology of that time i.e. radio, TV, film and photography. The negative influences of these new technologies on culture were the main preoccupations of the critique of Adorno and Horkheimer. They saw it as a degradation of the critical capacities of culture, that through commodification it becomes part of the system: “The assembly-line character of the culture industry, the synthetic, planned method of turning out its products (factory-like not only in the studio but, more or less, in the compilation of cheap biographies, pseudo documentary novels, and hit songs) is very suited to advertising: the important individual points, by becoming detachable, interchangeable, and even technically alienated from any connected meaning, lend themselves to ends external to the work.” (Adorno in: Katunarić, 1990: 203). Their severe critique can be traced back to the shock of being introduced to American culture (books sold in the shape of cigarette boxes, improvised jazz music, Mickey Mouse, for example), that is, it was a shock for Viennese intellectuals in love with classical music and “high” culture. We can, therefore, thank them for coining the term, although the later development of the term did not have much to do with its original meaning.

**Cultural industries**

The next step in the development around the concept is the shift towards the term “cultural industries” in the plural. Key development of the term comes from the work of French authors led by Bernard Miège⁴ who wrote key works on cultural industries (*industries culturelles*) for UNESCO (as well as some seminal works in the field of cultural production). This change in terminology signified the abundance of cultural production that occurred in the second part of the last century (this abundance was triggered by the new technology of that time, the introduction of TVs to every home, the development of broadcasting, and later the introduction of video. This change in terminology towards cultural industries was also an attempt to distinguish the field from association with the negative critique of the term that Adorno and Horkheimer posited in their work (Hesmondhalgh, 2002), and to present it as a legitimate and complex field of research.

On the other hand, a serious change was on the way in the neighborhood of Miège and partners. On the other side of the channel, in 1988, during the Thatcherite period in England,  

³ “The term was picked up by French sociologists (most notably Morin, 1962; Huet et al., 1978; Miège, 1979), and by activists and policy makers and was converted to the term cultural industries” (Hesmondhalgh, 2002: 15).
John Myerscough published a report entitled “The economic importance of the arts in Britain”. In this context cultural industries were perceived as “...those activities which deal primarily in symbolic goods - goods whose primary economic value is derived from their cultural value” (O’Connor, 1999). On a broader scale this triggered wide discussion and research in the field of culture-led regeneration, connected mostly to urban surroundings, but also on a regional basis. The importance of the field on the European level was recognized in 1999 in the Essen declaration: “Ten Axioms for the Culture Industries in Europe”. One can also note that the tendency to research and map cultural rather than creative industries is still more present in continental Europe.

“Creative industries”

The origin of the term “creative industries”, the broader counterpart of the term cultural industries, can be found in Australia in the early 1990s, “but was given much wider exposure by policy makers in the United Kingdom in the late 1990s, when the Department for Culture, Media and Sport (DCMS) set up its Creative Industries Unit and Task Force” (UNCTAD, 2004: 4). It is a broader term than cultural industries as it covers software production, advertising, PR and similar activities that are making the field of creativity into a relevant factor in the creation of products and services. With the high expansion of new technology and the swift development of the Internet, there began a boom period for new software and other Internet companies (i.e. the rise of Silicon Valley and similar companies jointly known as “the Internet bubble” that recently “burst”). Considering the influence of new technologies for the development of this sector, what is crucial for its rise in importance is digitalization. Digitalization changed immensely the ways of communication, production and distribution and in this way (among other things) it provided the possibility for the creation of various small businesses (as well as the fast development of existing ones) connected to design, software and advertising. But one should stress that the consequences of digitalization were not only positive, but also negative - easier availability to piracy, etc.

However, one has to understand that it is rather difficult to engage in a terminological discussion about the creative and cultural industries. What is important for this discussion is the notion that creative industries are, as already said, a broader term than cultural industries.

---

5 In the document Creative Nation: Commonwealth Cultural Policy, October 1994.
“cultural industries make up a subset of the creative industries, while the even broader cluster of copyright industries consist of both creative industries and distribution-based industries” (UNCTAD, 2004: 4). In the last couple of years what has occurred is the use of these terms interchangeably. What is even more difficult, however, is the changing of the scope of the term for every other piece of research. This is of course legitimate, but it confuses the situation even more. The new technologies are to be partially blamed for this shift: “With the start of the New Media boom, at the latest in the mid-1990s, the concept of ‘cultural industries’ as based on a narrower definition of art and culture, proved to be insufficient. The new growth branches of the multimedia and software industries could not be classified with conventional categories, which resulted in the first disengagement of ‘cultural industries’ from the field of art and culture” (Ratzenböck et al., 2004: 10).

The most influential definition of creative industries is the one by the Creative Industries Task Force, used in the first UK national mapping exercise in 1998. In this document creative industries are considered to be: “[t]hose industries that have their origin in individual creativity, skill and talent and which have a potential for wealth and job creation through the generation and exploitation of intellectual property”. One has to be aware that this shift from cultural to creative industries terminology can be perceived as a change in ideological discourse - towards the neo-liberal approach, a political construct of the 1997 New Labour government (Mercer 2001: 5). It is interesting to see how the introduction of economic aspects to culture, and the review of methods of earning profit from cultural industries happened in just one decade. “Culture” as such has disappeared from the main/key discourse of the Department for Culture, Media and Sports. Most notably, the definition of creative industries does not include the word culture at all.7

“Other” industries

The definition of creative industries also proved to be problematic as it was rather broad and seen “…as merely an amplification of the ‘cultural industries’ by affirmative technology sectors (multimedia, software, etc.). At the same time, it is often attempted to define the concept of creative industries by the contact of a product or service.” (Ratzenböck et al., 2004: 10). This resulted in the shifting of the focus onto “intellectual property” and

---

6 One has to bear in mind the differences between academic and policy research as well.
7 For this insight I would like to thank Mirko Petrić and Inga Tomić-Koludrović.
copyrights, broadening the field even more, and thus resulting in the introduction of the new terminology, that of “copyright industries”. “Howkins (2001) has observed that in 1997, copyright became the American economy’s leading export, and the US produced over $414 billion worth of books, films, music, TV programmes and other copyright products in that year” (Flew, 2002). These questions as to the value and ownership of cultural and creative products/content, are key questions in the “free culture and free software” debate that has become a burning issue over the last couple of years. Authors such as Richard Stallman, Lawrence Lessig and others have introduced other possibilities for the protection of intellectual property rights such as “copyleft”, “creative commons license” (CC), “General Public License” (GLP), and “open source software”, and some other theoreticians are advocating for a world without copyright (Smiers, 2003). These models aim to give more control of creative work to those who created it and those who would like to use it rather than just to give it away to big multimedia, multinational corporations.

The impact of the creative industries concept has proved to be of great influence - case studies have been done in Australia, Singapore, the US, etc. In this context, in some research communities the same concept took another name. As Tobias Nielsén (2004) notes: “[t]he term experience industry is mainly confined to Sweden, but the phenomenon is a global one (...) The experience industry is based on creativity, which takes the form of people who contribute energy, creativity and knowledge.” On the other hand, those chiefly interested in the development of Hollywood-like production and the gross income of the products connected to it, were more prone to use the term “entertainment industry”, for a part of the creative industries sector. Some prefer to call them “the content industries” (this is mainly present in the US), as the content is usually regulated through copyright law, but also through other means of regulation.

**Obstacles in the cultural industries**

After presenting an overview of the development of the cultural industries, what should be highlighted are two key problems that are perpetually resurfacing in contemporary discussion of the field. These are questions of access: firstly the question concerning the accessibility of the new technologies, and secondly, the question of access to cultural and creative content. Digitalization as such offered not only various possibilities for the development of creativity, but also possibilities of stifling it. There are several problems connected to cultural and
creative industries that are highly problematic: although the rise of the digital technologies has given a strong boost to access to development and the involvement of a larger number of people in creative industries, this type of technology is still mainly concentrated in the richer countries.\(^8\) The digital technologies are cheaper every day and thus more accessible: if we take a look at the rise of film production in Africa (Smiers, 2003), it gives access to the less privileged, but this is still rather limited.\(^9\) This gap is, therefore, still vast and not only does it perpetuate the North-South divide, but also this division, more precisely this polarization, is present in the societies of the North as well. “While the economic and employment-generating potential of these industries is vast and many developing and transition countries have great potential in this area, most are still marginal players, despite their rich cultural heritage and inexhaustible pool of talent. That position reflects a combination of domestic policy weaknesses and global systemic biases” (UNCTAD, 2004).\(^10\)

The majority of the profit of cultural as well as creative industries is based on the profit made from the copyright they create, or from the copyright that they own and there are several issues connected to this. The interests of multimedia companies have dominated the regulatory processes: “[a] sign of this imbalance is the fact that copyright is not only addressed by the World Intellectual Property Organization (WIPO), but by the World Trade Organization (WTO), bringing intellectual property (as a tangible good) to the trade negotiating table. This move was initiated by the USA and Europe to give them more power and control over the flow of intellectual capital - turning intangible rights to be negotiated within the framework of world trade. In fact, intellectual property is considered to be the fast-growing component of the national economy and represents a significant amount of the GDP in the United States” (ERICarts, 2005: 8). The creative industries conglomerates perceive p2p and other similar networks as an enemy to the industry, the legislation concerning digital technology is lagging behind and this together creates absurd cases of copyright infringement, such as lawsuits against students and schoolchildren (see Lessig, 2004), starting with the most famous case - the Napster case. This raises questions as to whether there will be significant

\(^8\) In terms of place and space, when one speaks of creative industries one speaks more of cities (see: Pratt in Flew (2002) or Landry (2000) and of “clusters” such as Silicon Valley and Silicon Alley (see Porter in Flew (2002: 23) as the environment for creative industries, rather than of countries, as noted in Castells (1996).

\(^9\) What is more used in the South in terms of the possibilities of new technologies is the easier access to creative goods, through piracy mainly.

\(^10\) For illustration in this context, one has to mention the key problems of cultural industries in the Southeastern European region such as the question of accessibility of new technologies, dependence on state aid, small markets, limited production, the influence of international cultural industries and problems with distribution (see Primorac, 2004).
further development of the creative industries or will there be stagnation in the field due to the untouchability of the possible pool of knowledge, due to the threat of the creative content becoming owned by multinational conglomerates (be it media conglomerates, pharmaceutical ones, etc.). If this is the case, how are we going to freely create our own culture, if no cultural or creative content will be available in the public domain? That is, if all cultural content is going to be owned by multinationals?¹¹

Instead of conclusion

After an overview of how the cultural and creative industries have changed over time due to the influence of new technologies, a couple of key characteristics of cultural and creative industries should be highlighted. Firstly, it should be noted that cultural industries (and the broader term creative industries) are high-risk industries (UNCTAD, 2004: 4; also Caves in Flew, 2002: 7). This comes from the fact that the value attributed to cultural goods can change rapidly over a certain period of time - one can easily go out of style/fashion. Secondly, both cultural and creative industries as well as new technologies are always connected to urban surroundings and need its infrastructures. “Castells’ contention that the global economy has given increased importance to the city/region level at the expense of the nation state is certainly true of the cultural industries” (O’Connor, 1999). And thirdly, the cultural industries sector is a sector of highly qualified employees - culture and creative workers such as artists, engineers, and designers usually have university degrees or similar.¹² These key characteristics that are intertwined illustrate some of the reasons why cultural and creative industries became so “fashionable” in the last decade. They have been the key instruments in the models of urban regeneration - making culture and creativity a catalyst in regional and local development. Furthermore, some authors insist that in this context we are talking about the rise of a totally new class, the “creative class” (Florida, 2002), that is, we have shifted from blue collar, through white collar towards a no-collar workforce. And finally, one can note the changing nature of work in creative industries: due to the influence of products of

¹¹ These are some of the arguments of the Free Culture movement: for more see: www.freeculture.org . One has to note that to resolve some of these issues, there are several dimensions to be discussed. What is a special dimension of the discussion on cultural and creative industries is its policy dimension. In general when talking about the development of cultural industries and new technologies one has to note that it is a broad intersection of different fields; it tackles not only the question of cultural policies but other public policies as well. Issues such as status of the artist (mobility, freelance community), intellectual property rights, digital archiving and such are of key importance, and they have to be taken into account at all levels.

¹² It is worth noting that their work is largely of a collective nature.
new technologies (mobile technology, broadband, Bluetooth, etc.) one is more likely to be “outplaced” from the traditional workplace. On the other hand, what is more visible is the increase of people working part-time, on a contract-to-contract basis. The question is how new is this problem to the cultural sector, as Lash and Urry note: “[o]ur claim is that ordinary manufacturing industry is becoming more and more like the production of culture. It is not that commodity manufacture provides the template, and culture follows, but that the culture industries themselves have provided the template” (Lash and Urry, 1994:123 in Flew, 2002: 22).

Therefore, from the “Culture Industry”, cultural industries, towards “creative industries” and other analogous industries, a lot of changes have occurred as a result of rapid technological progress, and they are also part of the globalization process. This has largely influenced other sectors, changing the relationships between producers, distributors and consumers. The characteristics of cultural and creative industries mentioned in the above text are also changing rapidly as the global knowledge-based economy is showing uneven development. This is evident through the lack of access to new technologies on one level and to the diminishing of access to the pool of cultural products as a result of inadequate copyright regulations. These problems have to be taken into account when discussing such a rapidly changing field and are crucial issues of what the future production of artworks, software, music, etc., will look like.

Bibliography


13 This topic gained wide popularity with the publishing of *Free Agent Nation*, Daniel H. Pink’s 2002 bestseller.


