

# **Culture, Creativity, Cultural Economy: A Review**

**Justin O'Connor and Mark Gibson**

A report as part of the *Australia's Comparative Advantage* study under the wider *Securing Australia's Future* program, both led by ACOLA and reporting to the Prime Minister's Science, Engineering and Innovation Council (PMSEIC)

## **Culture, Creativity, Cultural Economy: A Review**

### **1. Background**

- 1.1 *The Overall Program*
- 1.2 *Why Cultural Economy?*
- 1.3 *Cities, Regions and Immigration*
- 1.4 *A Multidisciplinary Approach*

### **2. Situating Society, Culture and Economics**

- 2.1. *Cultural Economy's contribution to society*
- 2.2. *Cultural Value within the cultural economy*
- 2.3. *The Creative Industries*

### **3. Measuring Size and Significance**

- 3.1. *Statistics in the Cultural sector*
- 3.2. *What is the Cultural Sector?*
- 3.3. *The Cultural and Creative Industries*
- 3.4. *How Big is the Cultural Sector?*

### **4. Creative Industries?**

- 4.1. *Software and Computing*
- 4.2. *Design*
- 4.3. *Creative Occupations/ 'Embedded' Creatives*

### **5. Wider Linkages of the Cultural Economy**

- 5.1. *Cascade model - Concentric Circles*
- 5.2. *Creative Spillovers*
- 5.3. *Production Spillovers – Creative Manufacture*
- 5.4. *Knowledge Spillovers – Creative Economy?*
- 5.5. *Network Spillovers*
- 5.6. *Culture as a Service Economy*

### **6. Cities, Regions and Suburbs**

- 6.1. *The Importance of Cities in the Cultural Economy*
- 6.2. *Rural and Regional Australia – Questions of Inclusion*
- 6.3. *The Suburbs*
- 6.4. *Rethinking the Cultural Economy of Cities and Regions*

### **7. Cultural Diversity**

- 7.1. *Australia's Cultural Diversity in International Perspective*
- 7.2. *Economic Benefits of Cultural Diversity*
- 7.3. *Cultural Benefits of Diversity*
- 7.4. *Diversity in the Cultural Industries*

## **8. Key Challenges for Comparative Advantage**

8.1. *Governance and Core Values: State, Market, Citizenship*

8.2. *The Arts*

8.3. *Equity and Participation*

8.4. *Education*

8.5. *Cities, Social Cohesion, Citizenship*

8.6. *Media and Public Broadcasting*

## **References**

## 1. Background

### 1.1 *The Overall Program*

This report is a contribution to the study *Australia's Comparative Advantage* taking place under the wider *Securing Australia's Future* program, both led by ACOLA and reporting to the Prime Minister's Science, Engineering and Innovation Council (PMSEIC)

*Australia's Comparative Advantage* (ACA) aims to assess Australian strengths and weaknesses in the context of external threats and opportunities (both Australian and global) in order to identify Australia's current position, as well as its present and future comparative advantages, relative to a comparable cohort of countries. Identification of these strengths incorporates political, economic, socio-cultural, technological, and organizational (PESTO) dimensions, and its forward-looking nature (it considers a long time horizon of 5-7 decades) creates the possibility of some long-sighted contribution to helping condition Australia's future well-being.

The project wishes to drill down into more structural aspects, through a 'matrix'. The three suggested sectoral themes are:

- Agriculture – including associated infrastructure and potential for advanced manufacturing
- Mining – including associated infrastructure and potential for advanced manufacturing
- Services – including finance and health

The three proposed cross-sectoral themes are:

- Skills, management and innovation – including research and education
- Society, culture and creativity – including cities, regions and immigration
- Institutions and governance – including legal frameworks relating to intellectual property.

### 1.2 *Why Cultural Economy?*

This report is conducted under the second cross-sectoral theme: *Society, culture and creativity – including cities, regions and immigration*. This includes a very broad range of factors, some of which might appear as having somewhat marginal relevance to Australia's comparative advantage. Considerations of national comparative advantage often focus on a limited number of high performing industries, particularly in internationally traded goods and services. The paradigm case for Australia would be mining. Such industries are certainly important to the success of nations, particularly open trading nations such as Australia. Without a healthy balance of payments, the economy will falter, with cascading implications from problems of unemployment to a declining revenue base to support health, education and other government services.

At the same time the economy does not operate in a vacuum. Economic possibilities are informed by the complexion of a society – its cohesion, levels of trust, cultural

diversity, capacity for creativity, urban life and distinctive patterns of settlement. These factors have their own independent springs: while they may be moulded by the economy, they also in turn constrain or enable the kinds of industries that are possible and the strength or weakness of those industries relative to other societies. That is, economies are ‘embedded’. It is thus questionable whether the ‘success’ of a society should be judged entirely on the strength of its economy, however important the latter may be. In this context, social and cultural factors might be considered as indicators in their own right of the ‘advantage’ that nations might be striving for. Many value Australia not just for the economic opportunities that it offers, but also for qualities such as its democratic institutions, cooperative ethos and cultural diversity.

The challenge in registering society, culture and creativity in a report such as this is that they are huge areas that are almost impossible to contain. While their importance is largely recognised, there is often scepticism that they can be addressed in a way that can have any real purchase at the level of policy. They are frequently viewed as the context or ‘container’ within which policy objects are situated, rather than as objects of policy in themselves.

In fact various notions of ‘culture’ have been used in public policy since the early 19<sup>th</sup> century, many of which remain with us – popular education, public cultural facilities such as libraries and concert halls, parks and sport grounds and so on<sup>1</sup>. Public broadcasting was in many respects a continuation of this. Cultural policy has never just been about ‘the arts’ but about the creating citizens. It is the proper role of state and market in cultural policy that has become highly contested in the last decades, which is a different question to that of simply the relative weight of ‘economy’ or ‘culture’.

The route taken in this report is to focus the discussion on what we call the ‘cultural economy’. The value of this focus is that cultural economy hinges two ways. On the one hand, it is a demonstrable area of economic activity, one which is not inconsiderable and where Australia has shown some international success. It is in this sense, an arena in which we can translate ‘comparative advantage’ to economic competitiveness, placing it on a similar plane to other industrial sectors. On the other hand, the cultural economy is also fundamentally cultural: it brings our attention to values that are distinct from the economy and on which the economy relies. There can be no cultural economy without cultural value. In this sense it takes us to the heart of many contemporary debates around the dominance of the economic imperative in modern politics and society.

Our focus on the cultural economy, whilst it might appear to lose some of the cross-sectoral breadth that the theme *Society, Culture and Creativity* is intended to address, provides us a lens onto these more general questions. As we point out below (section 3), culture is not a sector in quite the same way as other sectors. It is helpful to see it more as an ‘ecosystem’, with complex linkages between its various parts and with other areas of the economy and social life. A key part of the report (section 5) considers a range of ‘spillovers’ between culture and these other areas. In later sections on cities, regions and suburbs and on cultural diversity, we discuss

---

<sup>1</sup> Tony Bennett (2013) *Making Culture, Changing Society*. London: Routledge

these themes in general as well as, more specifically, in relation to cultural industries.

We have chosen the term ‘cultural economy’ over ‘the creative economy’. As we elaborate below we think the latter is an inadequate descriptor, it reduces cultural value to economic value, and indeed defines this economic value rather narrowly around ‘innovation effects’. In addition cultural economy has an international currency, providing a strong base for comparison. Of particular value here is the lead provided by UNESCO, which has attempted a comprehensive taxonomy of the sector as a means of international comparison and benchmarking.

This focus on cultural economy has two aspects.

First is the direct economic aspect of cultural activities: what employment and income do they generate in themselves, and what value do they provide for other economic sectors; what kind of dynamics and structures characterise this sector, and how might policy need to adapt and respond; how do they contribute to Australia’s medium and long-term economic future, and how does this sector fare against international benchmarks?

Second, what are the multiple connections between the cultural sector and the rest of Australian society and what contribution does this cultural sector make to Australia’s long-term well-being. This contribution might be in the form of a general economic ‘comparative advantage’ – say, enhancing Australia’s brand as a safe, welcoming, open, entrepreneurial destination for skilled migration and investment. Or it might be an end in itself – as a contribution to our quality of life, sense of identity and core democratic values.

We then have to ask what implications these whole of society benefits have for the way we approach and manage the cultural sector. Simply put, rather than seeing the sector purely in terms of growth, we must also ask what kind of growth.

For example, if we value an open, democratic society, we will be concerned not just with the economic size of the media sector but with concentration and monopoly, quality of product for citizens and communities, and addressing the kind of business-model collapse that is currently making the future of investigative journalism extremely uncertain. Or if we value a diverse and equitable society we might be concerned with concentration of cultural sector employment in the large metropolitan centres, or the over-representation of white, male middle class employees within these cultural sectors.

That is, the way in which the cultural economy is organised – and there are some real choices to be made here - has direct implications for the various political, economic, socio-cultural, technological, and organizational (PESTO) dimensions of Australian society.

### 1.3 *Cities, Regions and Immigration*

This cross cutting theme explicitly identifies *cities, regions and immigration* as key dimensions to be addressed. These dimensions intersect very centrally with cultural

economy, so the focus of the report is an appropriate vehicle for bringing them fully into view.

The relationship between cities and the cultural economy has been central to academic and policy discussions in this field. The cultural economy in the form of heritage monuments, arts infrastructure and cultural industries has been massively over-represented in cities. For many experts a cultural economy strategy *is* an urban strategy. Internationally this has raised issues of equity and access between shiny CBDs and under-resourced suburbs; dysfunctional property price hikes driving creatives out of the areas they helped improve; and questions of urban cultural citizenship as many individuals and groups feel excluded from full participation in the cultural offer of the city.

Cities have always been centres of immigration, both domestically (the great migration from country to city) and internationally. Cities' historic role as economic, political and cultural drivers of change has been inextricably linked to immigration and the cultural diversity and the cross-fertilization this introduces. Urban cultures have always been hybrid cultures, and the great centres of artistic innovation have been cities under-going rapid socio-cultural conflict and change. This was quintessentially so in the great American cities, which combined inter-cultural, commercial, and technological innovation to produce the mass cultural industry systems we have today.

In this report we focus on how issues around the urban cultural economy system relate to issues of immigration and cultural diversity. Australian cities are some of the most culturally diverse on the planet; how is this reflected in their cultural economies? And how does the structure of the cultural economy meet the needs and mobilise the potential of its new culturally diverse citizens?

Many of the challenges are faced by cities across the globe, and perhaps Australia, as a young country built on migration, has some advantages here. However, in terms of its sheer size, Australia does face some unique challenges. Dispersed population centres pose challenges to the density and intensity of interaction common to many cultural industries, and often makes access to the older arts and cultural infrastructure problematic if not impossible. The era of digital communication technologies hold out new possibilities for rural and small town communities, but this is not just a question of 'NBN roll-out' but would require some high level policy decisions if the problem is to be addressed in full.

#### *1.4 A Multidisciplinary Approach*

Though there are many precedents for this kind of approach in different disciplines, in the last decade or so the focus has been overwhelmingly on determining the economic contribution of the sector, in terms of employment and value-added, and as a catalyst to innovation. This 'creative industries' approach has been extremely influential in Australia, the UK, Northern Europe and within the EU and international development organisations. It has been spectacularly visible in East Asia, where many governments have seen this as a both a source of new economic growth and as a catalyst for a wider shift from low-value manufacturing to high value, IP-intensive industries. These approaches have drawn heavily on standard

economic analysis, though sometimes modified to fit the specifics of the sector. This will be a major concern of the report.

The broader cultural economy approach we adopt here draws from a range of disciplines.

Media and Communication studies were amongst the first to identify the economic dynamics of the cultural sector (especially media) and directly contributed to the first agendas around the cultural industries. Their identification of structural tendencies to monopoly and concentration, the impact of ownership on content, the crucial role of policy in regulating and directing markets etc. was termed ‘political economy’.

Others in Media and Communications have studied the implications of public and private broadcasting for democracy and social and political value, or on the good or bad impact of computer games, advertising, and other cultural products or consumption habits. How the industries have been structured, regulated and directed are crucial contributors to their ‘effects’.

Cultural Studies has long been concerned with the ways in which ‘mass cultural’ products intersect with everyday life, and the implications for identity and representation, usually for more marginal groups such as the working class, ethnic minorities, youth, woman, gays and lesbian etc.

Anthropology has been very influential in developing countries. In the 1970s the ‘culture and development’ agenda asserted the role of culture both as a crucial context for the success of any developmental program, and also as desirable for itself. Culture is a means and an end of development. These have joined with philosophers and developmental economists to identify broader notions of development than simply GDP. The UNDP Human Development Index is one such. Recent ‘capability approaches’ have also argued that the means to access and exercise cultural expression (‘senses, imagination, and thought’) are essential markers of any decent human society<sup>2</sup>.

(We should note however than in recent years the economic value of the cultural or creative sector has moved out of the economically advanced countries into developing countries. Presented as ‘drivers of growth and innovation’ they have been promoted by international agencies, reproducing many of the debates we highlight below).

As seen in the influence of Amartya Sen, economists have not been absent. Cultural economics has emerged mostly out of the arts sector, as a way of introducing appropriate analytical tools to arts and cultural in a way that recognizes the supra-economic values involved in the sector.

Finally the cultural policy sector – consultants and policy makers – have developed all sorts of methodologies to justify public sector subsidy or investment in arts and

---

<sup>2</sup> Cf. Amartya Sen (1999) *Development as Freedom*. New York: Knopf; Martha Nussbaum, (2011) *Creative Capabilities. The Human Development Approach*. Cambridge, Mass.: Harvard University Press



culture. They have drawn heavily on cultural and creative industry arguments for economic benefits, but have also looked to impacts in the area of urban regeneration, social cohesion and what is often called ‘intrinsic value’ (or dismissively as ‘art for art’s sake’). It has to be said that much of this argumentation is rather incoherent and has contributed to a general ‘crisis of value’ in the cultural sector.

## 2. Situating Society, Culture and Economics

As suggested above, the contribution of the cultural economy to Australia's Comparative Advantage cannot be restricted to its economic dimensions alone, significant as these may be. This for two sets of reasons. The first concern how we value the sector 'externally', as bringing a wider social good; the second concern how we understand the values at play 'internal' to the sector itself.

### 2.1 *Cultural Economy's contribution to society*

First, the ACA project takes a holistic line regarding Australia's well-being, including indicators such as social cohesion, sustainability and realisation of individual potential as well as economic prosperity. 'Culture', in the form of arts and literature and a broad range of intellectual pursuits, has long been seen as an important measure of a 'civilised' society. Often associated with educated elites, an expanded version of this has been used by theorists of development as indicators of a flourishing society, where access to education, a level of material satisfaction, and freedom from political and cultural constraint provides a basic right to individual and cultural self-expression. Even in more recent accounts of culture's economic contribution, this has been predicated on a widespread search for experiences, meaning and identity.

Second, culture is seen as a specific marker of Australian identity, in the sense of a liberal democracy able to engage in an open way with its citizens and the rest of the world. This broad notion of culture relies in part on an open public sphere with a dynamic, diverse media capable of circulating information, opinion and knowledge as well as art, entertainment, popular culture, significant events and so on in an equitable and cohesive manner.

Third, more philosophically, the notion of culture has long been seen to be about ends not means. This is not 'art for art's sake' but art and culture as having significant implications for our quality of life and the wider flourishing of society. Culture, in one of its definitions, has been all that is, if not opposed to the economy, at least that which goes beyond it. As Patrick White said: 'Culture is that which makes life worth living'.

The recent (since the 1980s) recognition of the economic dimension of the 'cultural sector' has brought significant new considerations around culture as a means - as an economic instrument - and these demand careful consideration, not least in their policy implications. But ultimately culture needs to be seen as an end as well as a means. We need to ask what is the value for Australia, how does it contribute to this as a prosperous country economically, culturally and socially.

### 2.2 *Cultural value within the cultural economy.*

There are other reasons, which we might call *internal* to the system of cultural production, for not focusing on the economic aspects alone.

First, the cultural economy - subsidized arts and culture, the big cultural industries, the galaxy of micro-businesses and freelancers straddling the public, private and

voluntary sectors – is marked by a series of tensions, trade-offs and synergies between the cultural and the economic values it produces. These are not two distinct value systems. The economic value of a cultural product or service derives from its cultural value. Though one central imperative of a cultural business is to extract economic value from that product, it is rarely the only imperative - and sometimes not the main one.

Second, these companies are in a complex relationship with a volatile and fragmented client or consumer market, where understanding the cultural dynamics of any product frequently involves building trust based on shared cultural values. They also work with or employ many creatives who share a commitment to product quality (its cultural value) not only its profitability. Many creative individuals, institutions and companies see quality (cultural value) as a route to some greater pay-off that may or may not be in the form of monetary reward.

Third, the proliferation of small and micro-businesses in this sector involves a complex restructuring of the cultural industries around networks and projects rather than intra-firm competition, conducted within complex locally embedded ecosystems. There is a range of different economic and cultural values at play that cannot be captured by dividing them into subsidized/ culture versus creative/ commercial.

That is, there are strong cultural values at play within the cultural economy – its firms, its networks and its milieus – which also need to be attended to by policy and which are linked to the wider ‘external’ culture of society and feedback into it.

In short, the cultural/ creative economy has wider cultural and thus whole of society implications. The kind of culture we value will in complex ways feed into the cultural industries; and the kind of culture produced by the cultural industries has important implication for the kind of society we are or want to be.

### *2.3 The Creative Industries and Creative Economy*

Since the UK government re-branded the cultural industries as ‘creative industries’ in 1998 the term became very popular. To many people cultural/ creative are interchangeable. Others divide cultural/ creative into public sector/ private sector, or digital and analogue, or pure and hybrid. These have caused a lot of confusion amongst policy makers and statisticians.

The cultural sector, as we shall see, is notoriously difficult to specify as a distinct economic sector. The ‘creative industries’ approach compounded this by the addition of software and computing services, along with a wider set of ‘ideas driven’ or IP intensive industries and occupations. Later still came the creative economy, where the focus was not on any particular industry but flows of creative input across the economy as a whole.

In this report we use the term cultural economy, as we shall expand on below. Nevertheless, the ideas of creative industries and creative economy raise some very important issues.

### 3. Measuring Size and Significance

#### 3.1 *Statistics in the Cultural sector*

Statistics in the cultural sector have never just been about measuring ‘what’s out there’ but about bringing a sector into existence.

Culture had never traditionally been seen as a ‘sector’ in the same way as manufacturing or construction, or indeed as anything other than a net expenditure on the arts and arts education. As cultural production and consumption expanded in the 1960s due to higher wealth, leisure and education, its commercial and non-state funded aspects grew way beyond the sphere of ‘the arts’. This led to a growing desire to identify and measure these activities, but it took some time to establish what was out there and how it might be measured.

Unlike the car industry, for example, the economic activities that could be counted as ‘cultural’ were very disparate (a librarian, a fashion designer, a music teacher, a camera operator etc.) and scattered across the length and breadth of the four-digit industry and occupational codes<sup>3</sup>. This was more so when ‘related activities’ (legal and management services, printing books and packaging, cleaning the theatres, etc.) were included.

In addition these counting exercises were used not just to determine size but also to establish the cultural sector *as a distinct sector*. That is, as a recognisable, coherent object of policy for government and one with a meaningful identity such that its members (or lead bodies) could be expected to represent its collective needs to government. This ‘sector building’ project was part of an energetic lobbying process by various arts, cultural and educational interests to establish the cultural or creative sector as one with significant economic weight and thus worthy of government attention and support.

Establishing the size and outlines of the sector has been very much a political process. Headline figures showing culture is ‘big business’ - bigger than agriculture, or construction, or other sectors that seem to claim policy priority- could have a direct impact on cultural sector funding. A report claiming that the UK music industry was bigger than the steel industry helped convince New Labour that the cultural industries development was a policy worth pursuing. Under the subsequent ‘creative industries’ rubric funding for art and culture rapidly increased in the UK.

The understandable desire to make the economic weight of the sector as big as possible had always to be balanced by the need to designate a coherent sector amenable to government policy and with which a broad range of actors and institutions could identify. Culture is a very broad concept. At its broadest it refers to a ‘whole way of life’, those meanings, practices and institutions that inform all aspects of society. Though this points to the myriad ‘spillovers’ of the cultural sector, which we will discuss below (section 5), this is far too big to be manageable

---

<sup>3</sup> This is discussed extensively in the ESSnet-Culture Final Report (2012).  
[http://ec.europa.eu/culture/library/reports/ess-net-report\\_en.pdf](http://ec.europa.eu/culture/library/reports/ess-net-report_en.pdf)

as a policy object. On the other hand, focusing on the publicly funded activities of artists and arts institutions, as many countries did, was far too narrow.

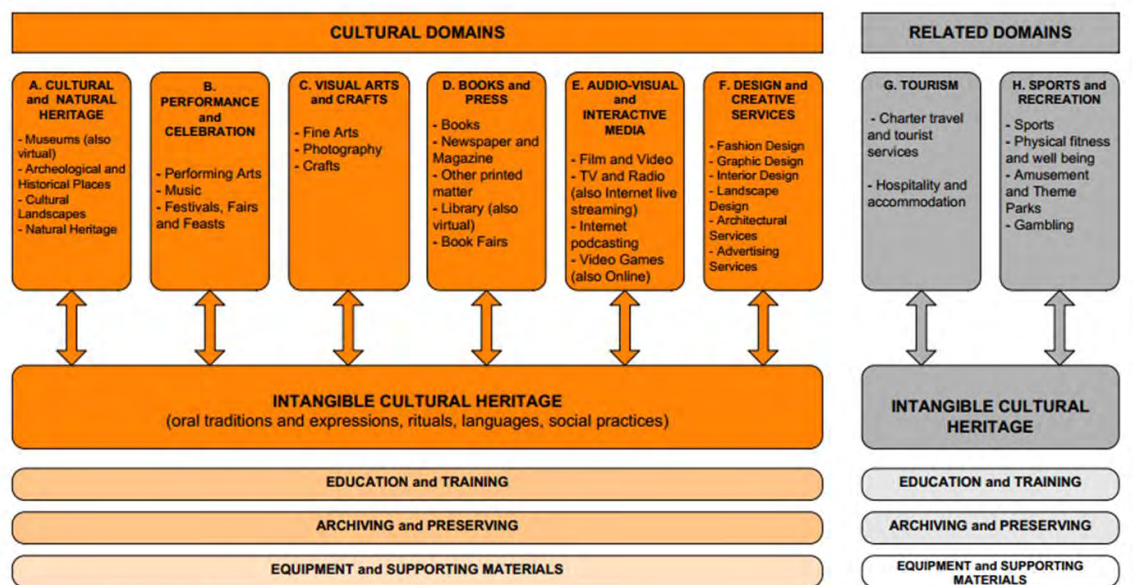
Establishing the size of the sector then needs to tell us something useful: how it coheres as an identifiable set of activities rather than a disparate, far flung statistical assemblage, and how best it should be supported.

### 3.2 What is the Cultural Sector?

We can start with the cultural sector at its broadest – including related domains such as tourism, and sports and recreation as outlined in the UNESCO 2009 statistical framework. This is a hugely significant sector accounting for around 20% of most advanced economies<sup>4</sup> and absolutely central to the identity and quality of life of the nation (see Figure 1).

Most national and international statistical accounts identify the cultural sector more narrowly. Nevertheless, the contribution of natural and tangible and intangible heritage to tourism; the centrality of the cultural offer of cities to the huge cultural tourism market; and the close association of cultural consumption with spending on food, drink and hotel accommodation, is very clear. These are most clearly identified at the level of urban policy, discussed below.

Figure 1. UNESCO Cultural Economy



Source: UNESCO 2009 Framework for Cultural Statistics

A 2011 ABS report on Culture and the Arts began:

Culture and the arts are an important part of the Australian lifestyle. They provide a means for meeting and connecting with people, promoting a positive community identity and enabling people to feel socially included.

<sup>4</sup> Thomas Piketty (2014) *Capital in the Twenty-First Century* (p.91)

By being part of a socially inclusive society, Australians have the opportunity to feel valued, and are more likely to participate in employment, education and training, and voluntary work<sup>5</sup>.

Echoing what we said above, the contribution of this sector to the comparative advantage of Australia on various ‘quality of life’ indices is indisputable.

The cultural sector is extremely diverse; indeed we might better call it an ecosystem. It involves high levels of public funding at all three levels of government. An ABS report put total government spending on arts and cultural activities in 2009-10 at \$5,161.4 million. This public spending is embedded in a complex range of cultural agencies, policies and plans at federal, state and local government levels<sup>6</sup>.

Per capita expenditure by Australians on culture and recreation is similar to the UK and higher than France and Germany (this reflects high levels of state subsidy)<sup>7</sup>. Though it is notoriously difficult to compare due to different statistical collection systems, Australia’s public funding of culture is smaller than many European countries. Places such as Singapore, Hong Kong and South Korea are rapidly increasing funding for culture and cultural industries development. China, coming from a low base, has engaged in a massive investment in cultural content development, infrastructure and education. There are clear indications that Australian public investment in culture is falling down the international scale – something we will discuss below.

At the same time there are large commercial actors in this sector, as well as public broadcasters who combine state funding with commercial outputs. This commercial sector employs more people, creates more wealth and is used more by the population than the public sector.

The rationale for the public funding of culture is constantly debated. Is the level of funding required to support the ‘heritage arts’, which appeal to only a small (usually higher socio-economic) section of the population, justified? If people enjoy museums and national parks, should they not be asked to pay directly for them? These questions got more pointed from the 1980s as finance departments demanded return-on-investment indicators for all government spending. In response public agencies have become much more sophisticated in the collection of impact data to show such ROI. The attempt to accumulate evidence on economic impact however has tended to reinforce the sense that only economic arguments count. In recent years the emphasis has shifted to a search for indicators that show the full range of public benefit beyond any immediate economic impact.

However, strong (and valid) arguments against fixing ‘the price of everything’, or the reduction of cultural to economic value, often glided over pointed questions as

---

<sup>5</sup> ABS (2011) *Australian Social Trends, June 2011 Culture and the Arts*.  
<http://www.abs.gov.au/AUSSTATS/abs@.nsf/Lookup/4102.0Main+Features40Jun+2011>

<sup>6</sup> <http://www.culturalpolicies.net/web/index.php>

<sup>7</sup> <http://www.culturalpolicies.net/web/statistics-markets.php?aid=201&cid=76&lid=en>

to *what kind of culture* was being funded. Many critics who sought to identify cultural value nevertheless questioned the fitness-for-purpose of those federal, state and local ‘arts and cultural’ agencies whose original remit was to provide support through public subsidy to a relatively small group of artistic activities and institutions. Thus the Australia Council – and similar bodies globally – are regularly taken to task because they find it easiest to provide recurrent funding to large-scale organisations that take few risks at the expense of smaller, fast moving and innovative groups producing new work.

These serious questions of governance are compounded when the question of the commercial aspects of culture are introduced. Faced with the rapid rise of cultural consumption outside the state funded sector should cultural policy restrict itself to ‘the arts’ or engage with this new landscape? Many European countries, and parts of the EU itself, responded by drawing a line between the public sector and the new commercial culture. These agencies are now facing a serious crisis of audiences and, even in countries strongly attached to high culture such as Germany, a legitimisation crisis.

Other countries, including Australia, took a lead in finding ways of engaging with this new cultural landscape. This meant a more open engagement with popular and everyday cultures, and a less precious approach to ‘high art’. Australian classical musicians have gained some renown for their more relaxed approach to the canon; an approach that has marked Australian cultural policy at all levels since the early 1990s. The Keating government’s justly renowned *Creative Nation* was a highly influential landmark policy document in which arts and culture embraced new forms of popular, commercial culture and were in turn linked to a contemporary, cosmopolitan, multicultural Australian identity. This moment of cultural leadership with a wide domestic and international resonance is a key benchmark to which future Australian cultural policy thinking might aspire. We return to this below.

More challenging was the engagement between public policy and the commercial sector that the rapid growth of the cultural industries called for. For example, many policy experts in the EU make a distinction between the means used to support public culture (often around excellence and intrinsic value) and to support commercial activities. They fear that putting museums or visual arts next to computer games and satellite television will reduce the policy rationale to that of the market, to the detriment of culture.

In contrast Australia, alongside UNESCO, and countries such as France and the UK, developed a ‘cultural economy’ approach early, arguing strongly that such a division between public and commercial would be damaging to both. It would leave art in the museum and let market forces rip through contemporary culture. UNESCO was specifically concerned about this at global level, hence its 2005 convention on ‘diversity of cultural expression’. This convention, to which Australia is a signatory, upheld the right of access to the means of cultural expression across the cultural sector as a whole. The convention explicitly stated that cultural goods and services were not just commodities like any other but essential to the identity and meaning of groups and individuals. Ensuring equitable

access to the production and consumption of culture, including quotas and other forms of regulation, was a legitimate function of government<sup>8</sup>.

This ‘cultural economy’ approach recognises the cultural value produced through the commercial sector, and that public policy has a specific remit to ensure that this sector is open, equitable and culturally dynamic as well as producing employment and wealth outcomes. This entails recognition of the multiple links between the state funded and commercial sector, links often at the level of education, ideas, venues, meeting spaces, creative milieu, training, regulation, and common identification.

If this is accepted then the relevant policy models are not necessarily those of the traditional arts funding agencies. They are more akin to the public broadcasting agencies and the complex economic, technological, cultural and regulatory ecosystem in which they operate, or urban cultural planning approaches. These are discussed in section 8 below.

**In short, we might say that in the public cultural system there is an on-going crisis as to why we should value culture, what that culture consists of, and what kind of policy models might be most appropriate for it. Australia has not escaped these multiple crises. Its culture of democratic inclusiveness, its experience with public broadcasting, and its recent success in urban cultural planning gives it some clear advantages. However, at present there are multiple policy deficits, even vacuums, in this area that need to be addressed if Australia is to take full advantage of its comparative advantage in this area.**

### *3.3 The Cultural and Creative Industries*

The cultural industries, as they were adopted as policy objects in the UK, France and Australia in the 1980s and 1990s, are a broad-sub set of the cultural sector above. This includes the traditional arts and the new mass distribution industries of the 19<sup>th</sup> and 20<sup>th</sup> centuries. A recent EU green paper defines them thus:

‘Cultural industries’ are those industries producing and distributing goods or services which at the time they are developed are considered to have a specific attribute, use or purpose which embodies or conveys cultural expressions, irrespective of the commercial value they may have. Besides the traditional arts sectors (performing arts, visual arts, cultural heritage – including the public sector), they include film, DVD and video, television and radio, video games, new media, music, books and press<sup>9</sup>.

The same paper makes a distinction between these and the ‘creative industries’:

those industries which use culture as an input and have a cultural dimension, although their outputs are mainly functional. They include architecture and design, which integrate creative elements into wider processes, as well as subsectors such as graphic design, fashion design or advertising.

---

<sup>8</sup> <http://www.unesco.org/new/en/culture/themes/cultural-diversity/2005-convention>

<sup>9</sup> EU Commission (2010) Green Paper: Unlocking the Potential of Cultural and Creative Industries: 5



Such a hard and fast distinction between ‘cultural’ and ‘creative’ might be disputed. In an age where the aesthetic or experiential aspects of an object can often be as important as its function this distinction underplays the significance of the creative sector. For this reason UNESCO includes the creative industries in the cultural economy, under the rubric of ‘Design and Creative Services’ (see Figure 1 above).

Two important points need to be made here. First, the cultural sector is highly diverse. Definitions and statistical aggregations might be necessary to establish basic outlines but the policies to support and to leverage the benefits of the sector very quickly need to move from the generic to the specific. A design strategy will be different from an audio-visual, and again from a music strategy.

Second, ‘design and creative services’ establishes a clear link between the cultural and other sectors of the economy that is of great importance. This has been presented in the creative industries literature as a general extension of ‘creativity’ into the wider economy, thus forming a new rationale for cultural policy intervention. That is, ‘creativity’ acts as connection between the cultural sector and the wider knowledge economy. The creativity traditionally associated with culture thus forms a part of the wider capacity for innovation held to be the key input required in this knowledge economy, which itself becomes the central driver of economic growth. This creative industries approach has made identifying the specific value and activity of culture difficult, introducing high levels of ambiguity, vagueness and confusion into policy – something Australia has not escaped.

This is discussed more in Section 4; but one aspect needs to be identified immediately. The 1998 DCMS ‘mapping document’, which launched the ‘creative industries’ agenda, included software and computing in its definition<sup>10</sup>. This increased the employment figures for the sector by around 40%. For those concerned with lobbying this has been very convenient for the headline figures. However, they have never been counted in rigorous statistical accounts of the cultural sector. The DCMS dropped software and computing (not the same as ‘computer games’) in 2009. The EU and UNESCO explicitly refuse to include software, computing or ICT in the sector, even where they do reserve a ‘creative industries’ sub-set.

### 3.4 *How big is the Cultural Sector?*

The cultural sector is often counted using three groups (or prongs of the ‘creative trident’<sup>11</sup>):

- Cultural occupations in cultural industries;
- Non-cultural workers in cultural industries;
- Cultural occupations in non-cultural industries.

---

<sup>10</sup> DCMS (1998) *Creative Industries Mapping Document*, London, UK: Department of Culture, Media and Sport

<sup>11</sup> This term derives from the work of Stuart Cunningham and Peter Higgs. However, the basic methodology has been used since the early 1990s. (Cf. Jane O'Brien and Andy Feist (1997) *Employment in the arts and cultural industries: an analysis of the labour force survey and other sources*. London: Arts Council of England)

Adding all of these together gives the cultural workforce<sup>12</sup>.

Distinctions need also to be made between, on the one hand, cultural industries and related manufacture (audio-visual equipment, straightforward printing activities and so on) and, on the other, with retail. Clearly the links between magazine and newspaper publishing and both printing and retail services is important, and we need to know about these. But counting them as cultural sector employment obscures as much as it illuminates.

It is also important to note the ambiguity between cultural and creative in these exercises, especially in Australia where the creative industries agenda – following the UK – became very fashionable. Many ‘headline’ figures are read interchangeably as cultural or creative, as both terms are in common usage. But ‘creative’ usually means that software and computing services are being counted.

This is the case in the most recent ABS report, which provided figures for 2008-9.

*Table 1.*

ABS	No. Employed	% Total employed	GVA Billion	GVA %
Cultural and Creative <sup>a</sup>	972,000	9.1	\$65.8	5.6
Cultural Sector <sup>b</sup>	653,000	6.3	\$35.2	2.9

<sup>a</sup> Figure includes both “Computer System Design and Related Services industry”, and the “manufacturing, wholesaling and retailing industries for clothing and footwear products”.

<sup>b</sup> Includes design, advertising and so on, as well as museums, heritage and so on.

Source: ABS *Australian National Accounts: Cultural and Creative Activity Satellite Accounts, Experimental, 2008-09*

These give a headline figure of cultural and creative sector GVA as \$65.8 billion (5.6% total) and employing 972,200 (approximately 9.1% total employment). This figure includes both ‘Computer System Design and Related Services industry’, and the ‘manufacturing, wholesaling and retailing industries for clothing and footwear products’ (5). If both these are taken out then we are left with a cultural sector (which includes design, advertising and marketing, as well as museums, heritage and parks) adding \$35.2 billion GVA (2.9%) of total GVA and a workforce of 653,600 sector, which we estimate to be around 6.3% of total employment.

Two recent reports, one based (mainly) on the 2011 Australian census<sup>13</sup> and one from NESTA<sup>14</sup> in the UK, attempt to give more precise figures, stripping away a lot

<sup>12</sup> Other sectors might object to this approach. How big would, say, financial services look if accountants or other finance related occupations in non-financial businesses were counted?

<sup>13</sup> ‘Valuing Australia’s Creative Industries’, Creative Industries Innovation Centre, December 2013

<sup>14</sup> A Dynamic Mapping of the UK’s Creative Industries (2013)

of the ‘non-creative’ industry and occupational codes. They include (like the ABS) ‘Software Development and Interactive Content’ (SDIC) but not the related retail activities. Unlike the ABS, they do not include heritage or GLAM.

- Architecture
- Design and Visual Arts
- Writing, Publishing and Print media
- Software Development and Interactive Content
- Advertising and Marketing
- Film, Television and Radio
- Music and the Performing Arts

The resulting figures are much lower than the ABS estimates reflecting a tighter definition of creative industry and occupational codes.

*Table 2.*

CIIC survey	No. Employed	% of National Total	GVA Billion	GVA % Total
Creative Workforce	611,307	6.2	\$35	2.9
Creative Industries <sup>a</sup>	N/A	3.5	N/A	N/A
Cultural Sector <sup>b</sup>	N/A	3.7	N/A	1.8

<sup>a</sup> First two groups of the creative trident.

<sup>b</sup> SDIC removed (41% of total) but using all three trident groups.

N/A – not available

*Source: Valuing Australia’s Creative Industries – Final Report, Creative Industries Innovation Centre (CIIC), SGS Economics and Planning*

Compared to the UK in terms of creative sector employment Australia’s creative and cultural sector employment is smaller by around a quarter and one third respectively. There are historical reasons why the UK would have a larger cultural/creative sector – cultural/ educational institutional depth acquired over a long period; a large public and mature commercial broadcasting system; international networks and profile acquired through long periods of global dominance; and the global city position of London.

**Table 3. NESTA and DCMS Surveys – UK<sup>a</sup>**

UK Sector	No. Employed	% Total	GVA % Total
Creative Workforce	2,495,700	8.7	5.3
Creative Industries	68,909	5.3	4.7
Cultural Sector	1,498,200	5.1	2.9

<sup>a</sup> Estimating Gross Value Added of the Creative Economy (Discussion paper).

[http://www.nesta.org.uk/sites/default/files/estimating\\_the\\_gva\\_of\\_the\\_creative\\_economy\\_april\\_2013.pdf](http://www.nesta.org.uk/sites/default/files/estimating_the_gva_of_the_creative_economy_april_2013.pdf)

### *How Significant?*

A sector that includes retail, related manufacture and software and computing, employing 9.1% of the population is highly significant. It gives a crude sense of the ways in which the cultural sector can have connections across the economy. However, these wider inclusions go beyond what can be called cultural industries or cultural occupations proper and make such an aggregate hard to get a grasp on policy-wise.

Using the tighter definitions of the NESTA report, based on the economic contribution of creative occupations, and removing SDIC, we are left with a cultural sector of 3.7% of employment and 2.9% GVA. This is significant, but on its own it does not make any large-scale economic arguments for culture.

This suggests it is the connections between these cultural/ creative industries/ occupations and the related economic sectors in the form of retail, manufacture, hospitality, leisure, education, tourism and so on, as outlined in the UNESCO figure above (Figure 1.) that are crucial. In other words, the cultural/ creative industries sector cannot be understood outside the wider service sector of which it forms part, and the social, cultural and day-to-day economic values that animate this.

In section 5.5 we argue that the cultural sector is best approached as a service sector rather than an innovation system. In section 8 we also argue that this cultural sector has clear economic weight but both the tools dedicated to its support and the goals we set for its development are inevitably as much socio-cultural as they are economic.

We should also note that according to the ABS Australia is a net importer of cultural goods and services. This is an issue that needs to be highlighted in any cultural economy strategy. So too any creative industries strategy that suggest advanced producer and consumer services are a key future direction for the Australia economy. In an era where Asian cultural consumption is expanding, where design industries are developing rapidly, and where English is the *lingua*

*franca*, Australia has the opportunity to do much better in terms of international cultural trade.

*Table 4.* Import and Export of cultural goods and services

	Import Million	Import %	Export Million	Export %
Cultural Goods	\$2,436.6	1.2	\$539.8	0.3
Cultural Services	\$1,329	2.4	\$163	0.3

*Source:* ABS Australian Social Trends, June 2011 Culture and the Arts

## 4. Creative Industries?

The shift from cultural to creative industries, initiated by the UK's DCMS, was very influential on governments seeking post-industrial growth and adopted quite rapidly by many manufacturing countries seeking to diversify or rise up the value chain. It has informed governments in many (mainly northern) European countries, in East Asia, in Brazil and indeed many international development agencies such as the World Bank, UNCTAD and (more ambiguously) UNESCO. The 'creative industries' aligned what was once a marginal sector with the information or knowledge economy, and in particular with the rise of computing and digital communication technologies.

In Australia the creative industries for many have become synonymous with the 'economic' dimensions of culture. As elsewhere this has been resisted by many in the cultural sector and has been dogged by disputes as to what this industry consisted of, or even if it was an industry at all, rather than a pervasive creative innovation system. Policy definitions might never satisfy purists, but the vagueness and slipperiness of the creative industries – and later 'creative economy' – is pronounced. When a sector does not or only partially recognises itself in a policy designation this is damaging for any subsequent vision or strategy.

There are three problematic areas in relation to the creative industries.

### 4.1 *Software and Computing*

The DCMS' inclusion of this sector added anything from between 40 to 50 per cent to the overall figures and this has remained so in similar exercises. In the EU where 'creative industries' is often used as a subset of the cultural sector, software and computing are explicitly not included. Of course the impact of digital technologies has been profound for the cultural sector. Most cultural products involve digital production and distribution tools; in the more complex industries, such as animation, special effects or indeed computer games, the involvement of coders is crucial. NESTA have argued strongly – and quite reasonably - for the teaching and acquisition of digital skills and capacities across all arts and cultural sectors<sup>15</sup>.

Does this warrant the inclusion of all software and computing activities in the cultural/ creative sector?

Software and communications technologies have had just a profound impact on retail, or financial services, or health, or education and so on. Equally, whilst the creativity and skill of computer coders is undeniable their direct product is not 'cultural', even though it provides a platform for that culture. If software design is to be incorporated then why not other ICT sectors, which also have had a profound impact on the cultural industries? Fibre-optic engineers are also creative in this sense. The connections between these sectors are very important but the sectors need to be distinguished.

---

<sup>15</sup> A Manifesto for the Creative Economy. Nesta. April 2013.  
<http://www.nesta.org.uk/publications/manifesto-creative-economy>

Failure to distinguish has had major implications. Not only does it significantly inflate the figures for the creative sector it also extends the defining characteristic of creative industries and occupations in a way that is potentially endless. Some East Asian countries have included high-tech, biotech, advanced manufacture, business consulting and so on in their 'creative industries' definition. Indeed some definitions position the 'creative sector' as including all those industries that involve intellectual property<sup>16</sup>. This is a potentially huge sector and has led to grandiose claims, as the creative sector becomes co-terminus with the knowledge or 'ideas' economy *per se*. Richard Florida's 'creative class' included artists, scientists and higher managerial and professional classes that made up 40% of all employment.

Advocates of the creative industries have been loath to give up a segment that contributes 40% to the sector's employment total. (The DCMS dropped software and computing in 2009, much to the chagrin of many.) Thus headline figures for the 'creative' or 'cultural and creative' sectors can never be taken at face value and always need to be checked as to what they are including. As a result 'creative industries' has proved endlessly confusing and elusive for policy makers, commentators and, indeed, the industries involved themselves.

### **This has contributed to a serious policy-deficit in Australia.**

#### *4.2 Design*

Some definitions distinguish cultural and creative around 'design'. That is, distinguishing between those industries whose products - one-offs or mass reproduced - are recognisably 'cultural' and those linked to more functional requirements. There may be disputes about 'quality' between visual art and computer games, but not that they are both cultural products. However, fashion design, architecture, product design (furniture, for example) are often deemed to involve hybrid cultural/ functional products. This also goes for 'creative' commercial services such as advertising and marketing which use a range of old (e.g. print) and new (e.g. on-line) media and skills to sell products that are not in themselves cultural (a pension scheme, or a car).

As noted above, this cultural/ functional divide is often difficult to sustain, in an era where the aesthetic or experiential aspect of a good or service is what commands value. This is complicated further as 'design' can also refer generally to any process of reflection, assessment and forward planning geared towards a specific objective. Health services can be designed, just as hybrid engines and transportation systems. This makes 'design' a highly diverse assemblage<sup>17</sup>. It is for this reason that design industries have often been separated out and given over to distinct policy bodies.

The role of design is thus highly diverse, and as a sector (product, fashion, communications, graphic, social media and often architecture) does not cohere in a simple way.

---

<sup>16</sup> cf. John Howkins (2001) *The Creative Economy*. London: Allen Lane

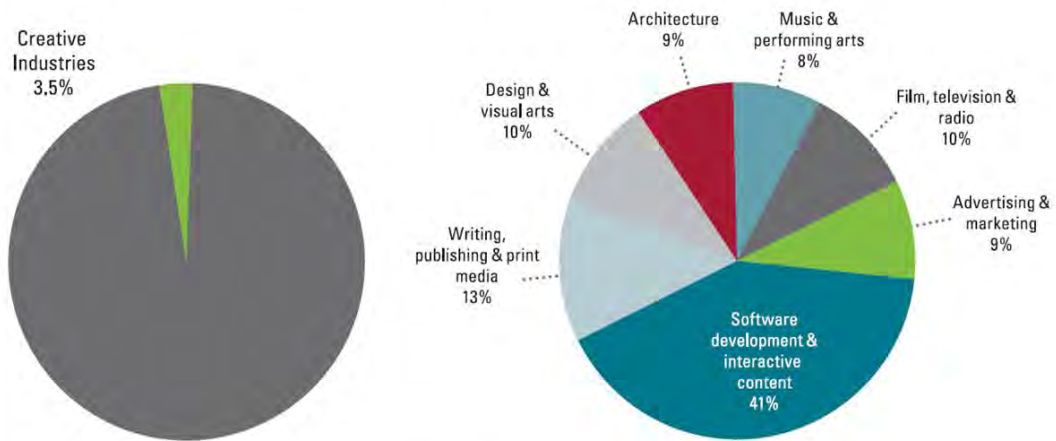
<sup>17</sup> The CIIC report conflation of visual art and design makes this worse.



However, design (including software) has taken on a major role in the creative industries argument as it is positioned as the essential transmitter of the creativity of the cultural/ creative sector to the wider economy.

This can be seen in the NESTA and CIIC reports. In terms of creative industries the design industries do not employ significantly more people than others in the sector.

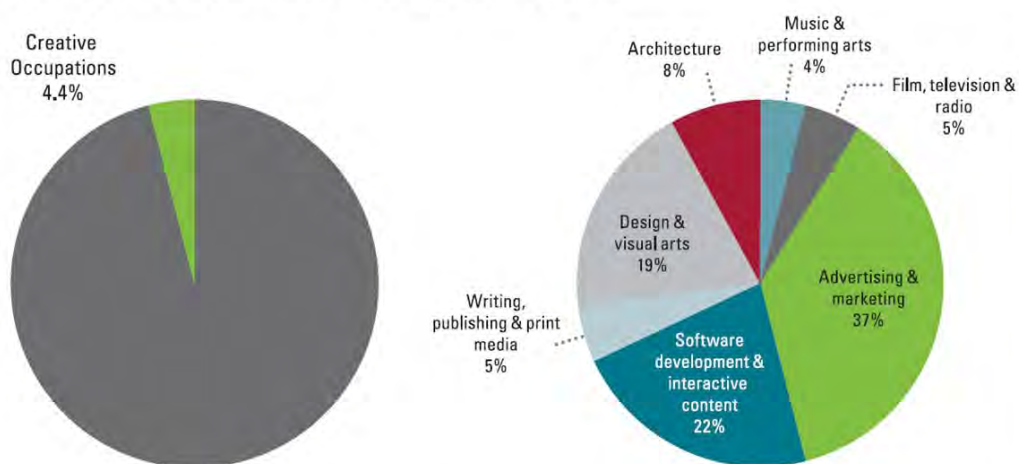
**Figure 2. Total National Jobs in the Creative Industries**



Source: *Valuing Australia's Creative Industries – Final Report*, Creative Industries Innovation Centre (CIIC), SGS Economics and Planning

However, when we look at creative employment (the ‘creative trident’) as a whole advertising and marketing, along with Design and Visual arts<sup>18</sup> represent 55% of sector employment. With SDIC this makes up 77%. That is, the ‘creative spillover’ from the creative industries to the rest of the economy consists of design, advertising and marketing, and software development.

**Figure 3. Employment in Creative Occupations**

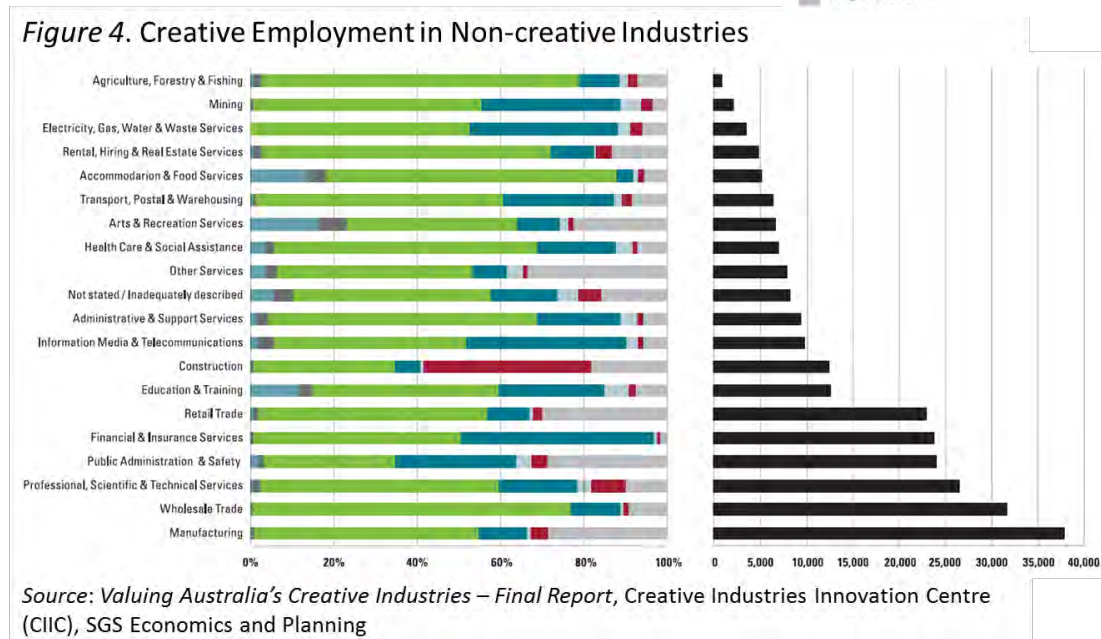


Source: *Valuing Australia's Creative Industries – Final Report*, Creative Industries Innovation Centre (CIIC), SGS Economics and Planning

<sup>18</sup> The aggregation of visual arts with design is not usual, though one supposes the visual art sector to be a small component of design employment.



The pattern becomes clearer when we look at which industries employ which ‘embedded’ creative. Apart from SDIC (which could be a database, a management system or a company website) it is clear that ‘embedded creatives’ are performing either ‘advertising and marketing’ tasks (we might assume this is also the function of print media here) or design functions. The latter could be designing packages, or shop fronts, or uniforms, or developing hybrid engines in advanced manufacture.



If this is the major source of ‘creativity’ provided by the cultural/ creative sector then government might be better advised to focus specifically on the various design functions, or advertising and marketing, rather than making this a ‘creative industry’ strategy per se. We expand on this more in the next section.

### 4.3 Creative Occupations/ ‘Embedded’ Creatives

The inclusion of creative occupations or ‘embedded creatives’ points to a third aspect of the creative industries argument, in which the focus moves to the ‘creative economy’. Rather than argue for the importance of a specific set of industries, the claim is that these industries require and generate creative skills that have a direct impact on the wider economy through the mobility of creative workers – in manufacturing, the wholesale trade, financial and technical services etc. These ‘spillover’ effects will be discussed in the next section, here we focus on this one claim.

The DCMS’ rebranding of the cultural industries as ‘creative’ linked a traditionally marginal economic sector to the knowledge economy agenda (for purposes of increased budgetary clout), where the input of human capital with high cognitive skills would drive productivity and innovation.

However, ‘creative’ in this usage is (perhaps deliberately) ambiguous in that it is strongly associated with the kind of imaginative, often glamorous, flair of artists and other cultural producers; but at the same time it is extended to any kind of skilled, cognitive activity that produces some sort of novelty.

In addition the shift from industry to occupations allowed a focus on creativity as an *input* rather than the characterisation of an *output*. That is, creativity became a function in a value chain not the specific quality of a product. This meant that questions of cultural value were far less valid; distinctions between sectors could be made on the basis of levels of creative input (‘creative intensity’) rather than if their product was mainly or secondarily cultural.

NESTA define creativity as ‘the application of creative talent to commercial ends’ and creative occupations as

a role within the creative process that brings cognitive skills to bear about differentiation to yield either novel or significantly enhanced products whose final form is not fully specified in advance.

NESTA’s methodology used five characteristics to separate creative from non-creative occupations:

#### Figure 5. Characteristics of Creative Occupations

1. **Novel process** – Does the role most commonly solve a problem or achieve a goal, even one that has been established by others, in novel ways? Even if a well-defined process exists which can realise a solution, is creativity exhibited at many stages of that process?
2. **Mechanisation resistant** – The very fact that the defining feature of the creative industries is their use of a specialised labour force shows that the creative labour force clearly contributes something for which there is no mechanical substitute.
3. **Non-repetitiveness or non-uniform function** – Does the transformation which the occupation effects likely vary each time it is created because of the interplay of factors, skills, creative impulse and learning?
4. **Creative contribution to the value chain** – Is the outcome of the occupation novel or creative irrespective of the context in which it is produced; one such context being the industry (and its standard classification) of the organisational unit that hosts or employs the role? For example, a musician working on a cruise ship (a transport industry) is still creative while a printer working within a bank is probably operating printing technology and hence would be considered mechanistic and not creative.
5. **Interpretation, not mere transformation** – does the role do more than merely ‘shift’ the service or artefacts form or place or time? For instance, a draughtsperson/CAD technician takes an architect’s series of 2D drawings and renders them into a 3D model of the building. While great skill and a degree of creative judgement are involved, arguably the bulk of the novel output is generated by the architect and not by the draughtsperson.

Source: NESTA (2012) *A Dynamic Mapping of the UK’s Creative Industries*

A number of points need to be made here.

1. These criteria could describe almost any highly skilled input by managerial, or scientific, or technological, or social service, or educational personnel. That is, it just shifts the problem of defining creative away from industries and onto occupations<sup>19</sup>.
2. ‘Creativity’ here is far too generic. It is unworkable as a definable input unless the kind of creativity and the kind of product are fully specified. In this case the ‘aesthetic’ or ‘experiential’ creativity traditionally associated with artists has been conflated with a range of other cognitive design functions, and indeed to all highly skilled, situated inputs into a product or service.
3. Using the presence of ‘creative occupations’ in an industry or economy as a proxy for the creativity and innovation of that industry or economy *per se* is thus highly problematic.
4. Focusing on creative occupations pushes questions of industry to one side, in favour of policies to support ‘creativity’, or skills, which remain vague and generic. NESTA has promoted voucher systems, which allow business to purchase design services. Other agencies promote IP awareness or access to finance for start-ups. But any systematic analysis of an industry and how it might be promoted disappears before a generic approach to ‘spreading creativity’.
5. We might wish to see the cultural sector as a sub-set of the knowledge economy, but we also need to clearly distinguish between them for the purposes of counting and, more importantly, for the purpose of developing effective, targeted policy responses. In failing to make this distinction ‘creativity’ conflates too many sectors to be useful.
6. Creativity loses its connections to cultural value, which involves much more than ‘novelty’ or ‘innovation’ – such as identity, tradition, ritual, social bonding etc. And in reducing it to ‘the application of creative talent to commercial ends’ it ignores the range of non-commercial ends involved in the production of culture.
7. The presence of ‘creatives’ in an industry does not necessarily mean it is more innovative. It might be applying design and marketing principles to some pretty routine, non-innovative, non-sustainable products just as much as developing cold fusion or the next iPhone. ‘Creative’ occupations, on this definition, are not necessarily either innovative or creative. Many ‘creative functions’ can be – as they say in the design sector – simply ‘putting lipstick on a pig’.

---

<sup>19</sup> This was the method of Richard Florida (2002) who claimed to be able to identify levels of creativity in a city by the presence of the ‘creative class’ (skilled managers, professional, artists and other groups such as gays and ethnic minorities).

In conclusion we can say that both creative industries and creative economy:

- i) Is confused and confusing, leading to a growing policy deficit in Australia, as the cultural sector frequently fails to recognise itself or unhelpfully divides into cultural/ creative and subsidised/ commercial;
- ii) Is far too broad and generic to give policy purchase, as the wide sweep of ‘creative economy’ is useful in headline figures but fails to precisely identify where specific policy interventions can work best and on what precise object;
- iii) Fails to specify a targeted rationale and set of tools for the complex area of ‘design-led’ products and services.
- iv) Defines the economic value of the cultural/ creative too narrowly, focusing on the innovation effects rather than the broad and significant range of products and services involved in the cultural sector (see below).
- v) Tends to reduce cultural value to economic value, thus making unhelpful divisions between commercial and ‘subsidised’ sectors, missing out on the range of connections between them and the different values generated for economy and society;

The results of this approach can be seen in the last government’s 2013 cultural policy document – *Creative Australia* - the first such document for two decades. Though most of the report’s 152 pages focused on how to promote arts and culture in general, 7 were devoted to ‘Creative Industries, Commerce and the Creative Economy’. There was a tendency first, as highlighted above, to confusingly jump between ‘arts’, ‘cultural’ and ‘creative’ as descriptors; and second, to see ‘design’ as the primary commercial benefit of cultural/ creative industries. However, in its

### **Creative Australia 2013**

Design thinking—which entrenches design at the heart of the development process—now encourages growth, with organisations focusing on how scientific, managerial and creative support can help companies get off the ground and grow.... Creative thinking and design will play key roles in bringing innovation to the core of Australia’s industries, across all sectors. Government, the cultural sector and industry have a role to play in forging partnerships between creative industries and manufacturing, education, health and other sectors. This approach has the potential to lead to new ways of conducting business, with increased productivity and efficiency across the economy.... To ensure Australia’s success as a leading provider of creative services to our region, an arts education will be central to all students’ lives. (94-96)

<http://creativeaustralia.arts.gov.au>

description of design it is not clear how it relates to the ‘arts and cultural sector’ or why ‘arts education’ should be so central to its development.

This confusion and lack of clarity as to the object of policy is a serious impediment to broader aspirations of the report to position the cultural/ creative industries as central to Australia’s future in the Asian Century.

## 5. Wider Linkages of the Cultural Economy

In this section, rather than focus on the term ‘creativity’ we try to identify where the value linkages might be found between the cultural sector and wider economic, social and cultural values.

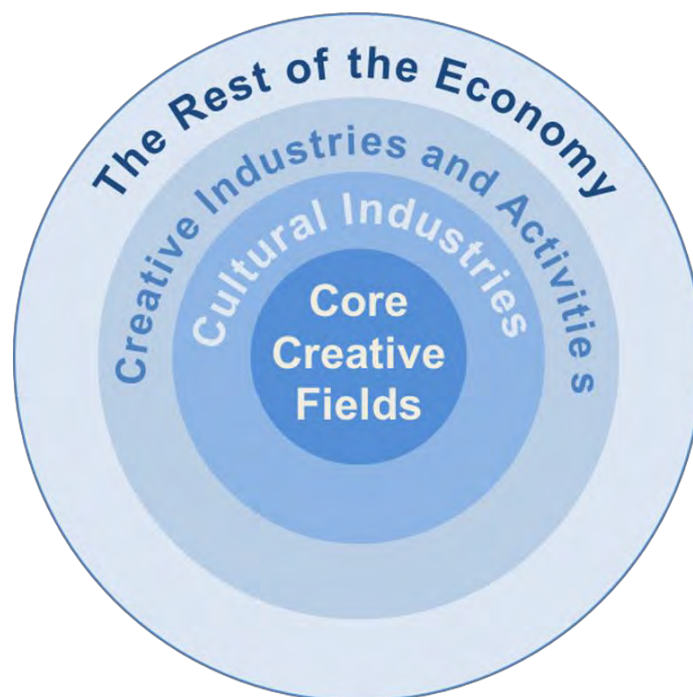
The 2013 *Creative Australia* document, attempted this in its ‘Creative Industries, Commerce and the Creative Economy’ section, a small sub-section of the larger report. It highlighted the initiatives in the film industry, the impact on tourism, the role of the NBN and the need for copyright reforms – the rest was focused on various design initiatives. At the same time it invoked the ‘creative sector’ (not clearly defined) as growing much faster than other sectors (not clearly defined) and that this would be crucial to securing Australian growth and competitiveness in the Asian Century.

This important document, the first comprehensive cultural policy document since *Creative Nation* in 1994, thus defined the link between culture and economy in a very narrow way and with assumptions built in. We look in this section at different models for assessing these linkages.

### 5.1 Cascade model - Concentric Circles

One widely used version of this was developed by Australian cultural economist David Throsby and subsequently adapted by others (such as the 2013 ABS report). His concentric circle model shows the creative arts at the centre, followed by the cultural industries, then the creative industries and then the wider economy. Though this is often welcomed by the arts and cultural sector there are some problems with this model.

Figure 6. Concentric Circle Model



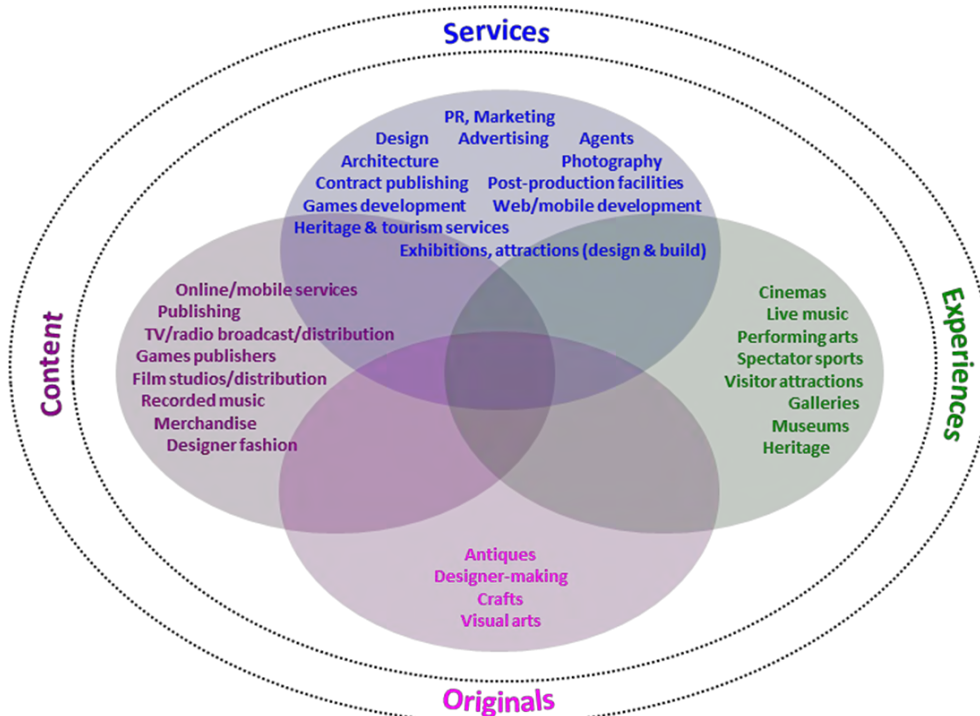


First, it suggests some kind of descending hierarchy from ‘pure’ arts to ‘applied’ that could easily be read in a traditionalist, even elitist way. It does not capture the kinds of cultural dynamism and mix in which a computer game could be seen as having more artistic and cultural depth than a Booker Prize winning novel, or HBO a more significant cultural innovator than the National Theatre.

Second, it is not clear what the basis of the transition from one circle to the next is – skills or sub-sectors? Is it the creative skills once monopolised by ‘the arts’ that filter through to other industries (as performing artists now work doing voice overs for computer games and adverts, and classically trained musicians write film music) or the services and products of the creative arts that somehow trickle down to the cultural and then creative industries (the film of the book, the computer game of the book, the breakfast cereal of the book and so on).

Third, it elides the very different ways in which branches of the arts and cultural industries monetize their products – as one-off artefact, via mass reproduced physical or digital carriers, as live events or experiences, as services supplied to clients and so on.

Figure 7. Cultural Ecosystem



Source: NESTA (2006): Creating Growth. How can the UK create world class creative businesses?

Figure 7 captures some of that interconnected diversity. The different conditions of monetization are schematised into **Services** (mostly delivered to clients, with little IP involved); **Content** (cultural industry products capable of mass reproduction and distribution); **Experiences** (that depend primarily on ‘live’ attendance); and **Originals** (one-off products or limited series). Here ‘spillovers’ are far more complex and cannot be reduced to an art-centric hierarchy. It also makes a distinction between ‘cultural’ and ‘creative’ industries based on ‘pure’ or ‘mixed’

notions of symbolic content/ functionality very difficult to sustain. Finally, it indicates less a series of circles but a cultural economy ecosystem in which different forms of cultural and economic value are in play, at different times and in different contexts. This will be discussed in the section on network spillovers below.

## 5.2 Creative Spillovers

Economic geographers have attempted to specify the different possible spillovers between the cultural sector and the wider economy, without necessarily making the creative arts central. (See Table 5). There are many different kinds of claims in this list. They all try to show ways in which the cultural or creative sector ‘punches above its weight’. We will discuss these under three broad headings.

*Table 5. Spillovers in the Creative Economy<sup>a</sup>*

<b>Production Spillovers</b>	<ul style="list-style-type: none"> <li>a) where new cultural products expand the market for a range of new products—as in spin-off merchandise, demand for audio-visual hardware, internet subscriptions and so on. This is where many manufacturing and retail linkages might be located. (The iPad shows that this works the other way around, products stimulating new content).</li> <li>b) where industries look to develop new techniques, styles or materials which benefit others—such as high fashion spin offs to high street retail, or indeed, contemporary artistic innovation feeding into advertising and marketing.</li> </ul>
<b>Knowledge Spillovers</b>	<ul style="list-style-type: none"> <li>a) Organisational – the cultural industries are more creative, more collaborative, more project-oriented and networked, acts as exemplars for other non-cultural businesses to follow;</li> <li>b) Experiential – where the kinds of experience involved in a good or service is similar those in the creative sector and from which they learn techniques and skills;</li> <li>c) Entrepreneurial and job mobility spillovers – where creative workers work in other industries (as discussed above);</li> <li>d) Interdisciplinary knowledge – where cultural industries are seen to be interdisciplinary and can link artistic vision to new kinds of engineering or architecture.</li> </ul>
<b>Network Spillovers</b>	<ul style="list-style-type: none"> <li>a) Agglomeration – where many businesses and institutions group together to be near customers and learn from each other (as in a cultural precinct);</li> <li>b) Clustering – where cultural firms locate to be near each other, sharing knowledge, skills and trust;</li> <li>c) Creative milieu – where qualities of place attract people and firms, who in turn contribute to that quality of place. Richard Florida’s ‘creative city’ thesis fits here.</li> </ul>

<sup>a</sup> Adapted from ESSnet-Culture Final report pp. 373-375

## 5.3 Production Spillovers - Creative Manufacture and Design-led Industries.

The intersection between product, styling, and communication design, advanced manufacture, software interface, marketing and social media certainly represent new sources of economic opportunity. This has been a focus of various policy papers in the UK, EU and the 2008 Cutler Review of the National Innovation System in Australia<sup>20</sup>. This is one of the most powerful arguments of the ‘creative economy’

<sup>20</sup> <http://www.innovation.gov.au/science/policy/Pages/ReviewoftheNationalInnovationSystem.aspx>



agenda, and clearly Australia's position as a highly educated, open society with strong business services and advanced manufacturing base should set it up as powerhouse in the Asia-Pacific region. This aspiration was essential to the *Creative Australia* report.

It is not possible for this report to assess the wider question of innovation for Australia's comparative advantage<sup>21</sup>. However, the Chief Scientist Ian Chubb's warning in a recent position paper that Australia lacked a strategic plan for the high profile STEM subjects and for innovation in general - manifest in long-term cuts to higher education - does not bode well for a strategic approach to 'creative innovation'<sup>22</sup>.

The 2013 ABS report suggests that the volume of cultural and creative activity in Australia is broadly comparable with similar countries, but they do not give figures for cultural and creative exports. A previous ABS report indicated that in 2008-9 Australia was a net importer of cultural goods and services. The high Australian dollar coupled with the impact of the GFC give no reason to think that this position might have changed – even against a background of growing trade in cultural goods and services<sup>23</sup>.

That is, though some reports (such as *Creative Australia*) suggest the cultural sector is growing faster than other sectors this is not obviously translating into increased exports of cultural or creative goods and services. However more statistical work needs to be done – especially on rather anecdotal claims around architecture, fashion and design experts identified in *Creative Australia* (91).

The importance of advanced manufacture and the crucial links between manufacture and design, were highlighted in the 2008 Cutler Report, in the Australia government's 2012 *Industry and Innovation Statement: 'A Plan for Australian Jobs'*, and in the related *Industry Innovation Precincts* initiative (abolished in 2014). However, this has never been central to the creative industries agenda in Australia.

First, creative industries from inception were seen as replacements for manufacture – whether for already 'post-industrial' economies or countries looking to become so. In its emphasis on digital start-ups the model has been Northern California rather than the R&D-led advanced manufacturing economies of Germany, Japan or South Korea.

That is, adopting creative industries as replacement industries has militated against attempts to find ways to work with existing manufacturing skills, markets and equipment. In Australia this version of 'creative destruction' – letting manufacture go to the wall - has been more destructive than it need be.

Second, Australia has tended to equate industry policy with industry subsidy. In recent years this support has been withdrawn rather than re-targeted. Manufacture has been positioned as needing to be propped up or left to the cold winds of the

---

<sup>21</sup> Another report in this project covers Skills, Management and Innovation.

<sup>22</sup> <http://www.chiefscientist.gov.au>

<sup>23</sup> CF. UNCTAD Creative Economy Report 2010 [http://unctad.org/en/Docs/ditctab20103\\_en.pdf](http://unctad.org/en/Docs/ditctab20103_en.pdf)

market. Concerted, intelligent industry policy, as conducted by most of our major competitors and the East Asian industrial giants, has suffered as a consequence.

Third, there has simply never been enough resources put into such a design-led strategy from a creative industries perspective – local authorities do not have resources, peak cultural bodies have neither the capacity or the resources and the Enterprise Connect Creative Industries initiative was also under resourced.

### **Enterprise Connect**

The creative industries were added to ‘Enterprise Connect’ in 2009. This was an important addition to a national cultural/ creative industry strategy, led by the Creative Industries Innovation Centre at University of Technology Sydney. However, though the government’s *Creative Australia* report flagged it as aimed at Design-led industries its eligible companies were the very broad spectrum of ‘architecture, advertising, design, gaming, film and television, music, performing and visual arts, publishing and writing, radio, interactive content and software development’. On the other hand only the top 5% of companies were eligible as minimum turnover was set at between \$1 and \$100 million. Though it developed pockets of expertise it was spread thinly, aimed at high-turnover businesses only and its learning mechanisms (how it utilised lessons learned, built up industry knowledge and retained and developed skilled staff) were unclear.

<http://www.enterpriseconnect.gov.au/industrysupport/creativeindustries/Pages/default.aspx>

Despite the strong emphasis on design in *Creative Australia*, the crucial focus on reframing the connections between design, manufacture and marketing has been wrapped up in generic creative industries policy. As we noted above, the focus has been exclusively on promoting ‘creativity’ rather than an analysis of the industries, supply chains and new markets.

The initiatives that have emerged tend to be underfunded, and the strategy is spread across different agencies. Ultimately this relates to the incoherence of the creative industries as a distinctly identifiable sector available for government policy support.

**There can be no lead body when on-line travel agencies such as *Wotif* are counted as creative alongside a ballet company, a television production house or a computer games outfit.**

The traditional cultural peak bodies, which have some access to the ear of government, tend to be arts oriented; they have little capacity to run a cultural industries strategy. Again, *Creative Australia* made much of the potential of the cultural/ creative industries but focused primarily on arts sector bodies and the

governance of the Australia Council with little concern as to how a cultural/ creative economy might be systematically approached.

The result has been lots of talk about creativity but very little concerted investment in a coherent, targeted industry strategy either for new forms of manufacture, design-intensive services or indeed retail.

As the resources boom tails, the cultural economy and its manufacturing, retail and services linkages do represent potential growth areas but there seems no immediate prospect of a concerted government strategy to promote this. At the moment the prospects of a cultural or creative sector leading Australia into the Asian century looks aspirational rather than reality.

### 5.3 *Knowledge Spillovers – Creative Economy?*

The spillovers claimed for the creative economy are wide and varied. Cultural business practice could be exemplars for other industries; creatives work in non-creative industries (see section 4.3 above); artists have been used to spice up management thinking or organisations urged to selectively adopt the lateral thinking associated with artists; goods and services are becoming increasingly ‘cultural’. These claims have been around for some time now and have strongly informed creative industry/ economy thinking<sup>24</sup>. ‘We are all creative industries now!’

Many goods and services use the kinds of aesthetic and experiential marketing and branding associated with the cultural sector, just as ‘creative skills’ have migrated beyond the cultural sector and expanded their remit in all sorts of ways. However, this needs to be specified in much greater detail. The expansion of marketing and design services draws on some, but not all, aspects of cultural creativity; so too linking artistic vision to managerial or product innovation is highly selective in what it actually transfers.

*Creative Knowledge:* The vagueness and overextension of ‘creativity’ to all aspects of life has frequently been commented on. It conflates a range of different creative skills, practices and values: the production of symbolic meaning and identity; the incorporation of these in products and services; more imaginative approaches to planning and design; promotion of human inventiveness; openness to change; the drive to innovation and so on.

All of these are no doubt desirable, but they are very different things embedded in very different practices. From the cultural perspective, in extending the traditional creative aspects of artistic and cultural production to the wider economy – as we saw above regarding creative occupations - often results in the reduction of cultural values to the production of commercially viable novelty or innovation.

Clearly symbolic, experiential and aesthetic elements are now more central to a range of goods and services than they were in previous periods, and this needs to be registered. However, this expansion of value from the purely functional to the aesthetic and experiential can very easily become linked to fashion-driven

---

<sup>24</sup> Scott Lash and John Urry (1994) *Economies of Signs and Space*. London: Sage

consumption economies that have social and cultural consequences that are not always welcome or sustainable.

It thus needs to be stated that these creative ‘spillovers’ do not exhaust and are not necessarily intrinsic to the value of cultural creativity:

- not all innovation is desirable from a cultural or social viewpoint, some of it can be disruptive and destructive;
- not all cultural value is about innovation; it can be about tradition and continuity, ritual and social bonding, relaxation, sociality and enjoyment;
- aesthetic innovation – Joyce’s *Ulysses* or *Sgt. Pepper* – is not obviously always part of wider economic innovation;

*Creative Entrepreneurs*: in the 1990s (what were then still) the cultural industries were frequently seen as at the cutting edge of economic and organisational change. Post-fordist vertical and horizontal disaggregation; the eclipse of large conglomerates by networks of fast-moving innovative, entrepreneurs and small businesses; a new kind of creative self able to negotiate a fast-moving job market demands constant re-invention and re-skilling – these have all been central to creative industry claims.

However, these claims have proved to be somewhat mixed when we look at a) levels of concentration and sometimes monopoly in the cultural and creative industries – a few very large companies surrounded by a host of small ones; b) increasingly levels of precarious employment and insecurity; c) increasingly power and reach of financial (rather than creative) management in cultural/ creative industries<sup>25</sup>. Their role as exemplars for wider industry innovation has been increasingly muted – except in their role as a model for increased casualization and ‘self-exploitation’ (see sections 7 and 8).

More, evidence shows how the highly networked, project-oriented, collaborative cultural/ creative sector is sustained through dense agglomeration and clustering (see 5.4 below) in which a range of *social, cultural and ethical values* play a crucial role in holding this together and animating its functions<sup>26</sup>. The formal work and organisational patterns in the cultural sector cannot be easily transferred because they are rooted in the values associated with the production of culture. That is, their organisational innovations are highly context specific.

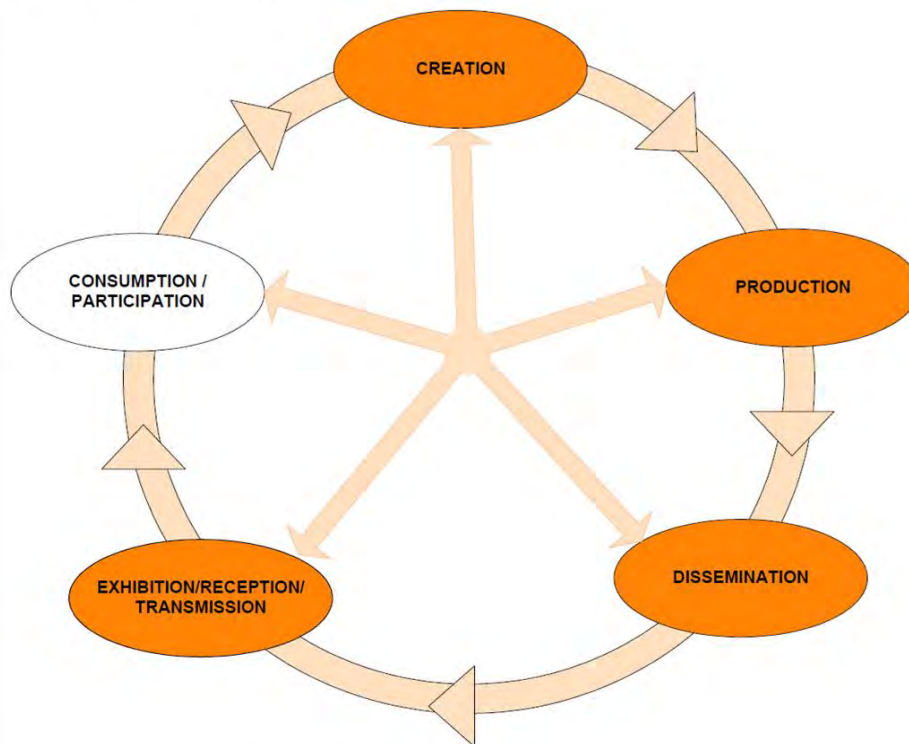
Figure 10 illustrates schematically how it is the cultural values involved in consumption/ participation that are centrally involved in the values that animate the value chain – or in fact, the value circle. That is, the cultural economy is deeply embedded in the cultural and social values it serves.

---

<sup>25</sup> A broad overview of the literature can be found in Hesmondhalgh, D. (2013) *The Cultural Industries*. London: Sage

<sup>26</sup> This point has been made extensively in the work of geographer Andrew Pratt cf. ‘The Cultural and Creative Industries: Organisation and Spatial Challenges to their Governance’. *Die Erde* 143 2012 (4) 317-334

Figure 10. The Culture Cycle



Source: UNESCO 2009 Framework for Cultural Statistics

#### 5.4 Network Spillovers

Agglomeration and clustering are two key features of the cultural economy, and it is often claimed that they act as catalysts for a wider ‘creative milieu’. This is frequently no more than a claim that the presence of artists and creative will contribute to an atmosphere of creativity and innovation in the wider economy. More substantially, it has been cities that have seen a concentration of cultural consumers, producers, facilities and events. Cities (see Sections 1.2 and 7) have also been places that facilitate complex divisions of labour and ‘shared externalities’, and host those dense, project-rich networks of many small and micro-enterprises, usually gravitating around a small number of large global companies. This is repeatedly born out by the statistics which show an exponential – rather than linear – increase in the percentage of cultural industries in metropolitan conurbations, and indeed the persistent dominance of a few large cities globally (New York, London, Tokyo, Paris and so on).

There is an ‘elective affinity’ between cities and the cultural economy which many have tried to capture in the term ‘creative city’, in which the very milieu of the city attracts and stimulates new and innovative kinds of creative activity. Creative city agendas became an example of global ‘fast policy’ as in Richard Florida’s prescription for cultural amenities to attract the creative class, whose presence would then generate economic growth, circulated the globe<sup>27</sup>. These ideas sparked similar debates to those which developed around the reduction of urban cultural and

<sup>27</sup> Florida, R (2002) *The Rise of the Creative Class*. New York: Basic Books

civic values to the ‘creativity and innovation’ effects they might produce. They were controversial for the way they corralled the history and ethos of urban life into the innovation economy.

Anticipating section 5.5 it is also clear that much of the cultural activity of the city does not concern commercial (or other) innovation – it is about sociality, everyday meaning, entertainment, artistic excellence, rituals, celebrations and so on. Both economic and cultural value lies outside ‘innovation’ effects. In fact local and visitor spend on cultural venues; bars, restaurants and hotels; arts education; newspapers, books and magazines; cultural services, materials and equipment – plus all the other cultural goods and services ‘exported’ make up a cultural sector far bigger than that of ‘creative services’.

This point has deeper implications for the valuation of culture. As noted above much of the value at play internal to the sector is precisely cultural. That is, products and services whose economic value derives from their cultural value cannot play fast and loose with these cultural values. Nor can policies to support them. Many individuals and businesses have strong cultural motivations that they trade off in different ways against anticipated economic returns. At the level of the cultural ecosystem the sector relies on high levels of volunteer<sup>28</sup> and free labour, as it does the involvement of ‘amateur’ or ‘co-creative’ input from fans, scenes, audiences, and participants at all levels.

**The dynamism of a cultural economy does not reside only in its most commercial components, nor the value of its outputs exclusively in monetary value.**

That is, at this wider level of urban agglomeration of creative milieu it becomes increasingly difficult to separate the economic success of the local cultural sector from the wider social, cultural and spatial context in which they operate. This has crucial implications for urban cultural policy as any economic strategy has to be situated within this wider system of cultural – but also social, ethical and political – values.

### *5. 5 The Cultural Economy as a Service Sector*

Managing a cultural economy is not only about economic tools – no matter how bespoke, coherent and context specific – but about the wider cultural value it represents (cf. sections 7 and 8). Here we wish to underline that it is also possible to envisage the wider economic linkages of the cultural sector in ways apart from its innovation effects. Though we would not want to play down these innovation effects down, an excessive prioritisation of these aspects results in a distortion of both the economic and cultural value of the sector.

As noted above, the cultural sector has multiple linkages with a range of different sectors – tourism, heritage, recreation, hospitality - whose economic significance

---

<sup>28</sup> ‘Volunteer services to arts and heritage organisations are estimated to have contributed \$756 million to GDP on a satellite accounts basis in 2008-09’. ABS (2013) *Australian National Accounts: Cultural and Creative Activity Satellite Accounts*

lies in ‘routine’ economic activity rather than that of ‘disruptive innovation’ (which does not mean that these sectors can’t be innovative in their own practices).

Table 6 suggests a range of these links that are generated by the cultural sector as result of their ‘routine’ operations.

*Table 6. Spillovers of the Cultural Sector*

Group of CI sub-sectors	Related sectors which may benefit from spillover effect from CI sectors
Heritage	Tourism ICT Trade branches located nearby Manufacturing of machinery and equipment
Archives, Libraries	ICT Trade branches located nearby Education sector
Visual arts and (art) Crafts	Publishing Real estate Tourism ICT Education sector
Performing arts	Trade Catering Health services (including music therapy) Other personal services Tourism ICT Trade branches located nearby
Architecture	Real estate Construction branches ICT Tourism KIBS (testing equipment, measuring, manufacture of process equipment)
Design	All sectors may benefit from spillovers from design sector
Advertising	ICT KIBS (computer manufacturing, market research, database consulting)
Audiovisual and multimedia (radio, television, etc.)	ICT Tourism Education sector Manufacture of machinery and equipment
Books and press	ICT Education sector Manufacture of computing machinery

Source: ESS-Net Culture 2012

This approach has the benefit of identifying key linkages without focusing exclusively on creativity and innovation, or reducing the complex diversity of the sector, or dividing between state and commercial sectors.

We might approach this sector not only in terms of an innovation system, or simply as a set of commercial activities but as a complex service sector. Some of its sub-sectors are bigger and growing more quickly than others; some may have a direct impact on product and service innovation; some are provided for directly out of

taxation; others are purely private; some are exportable, some less so; some are able to increase their productivity, others are relatively impervious to this. The question for policy is to know what is required and what is not. But ultimately this is a question of values and governance rather than narrow economic analysis.

We return to this in section 8.



## 6. Cities, Regions and Suburbs

### 6.1 *The Importance of Cities in the Cultural Economy*

Cultural industries tend to have an uneven geographic distribution. In the more economically significant sectors, in particular, there is a marked tendency to spatial concentration. In some cases, this is related to infrastructure investments such as broadcasting or film production studios or major civic complexes supporting opportunities for the arts. In others, such as commercial art and design, it is more related to the formation of cultural ‘clusters’ with complex ecologies of creative talent, agents, exhibition and display spaces, opportunities for social interaction, distribution channels and access to finance (Section 5.4). Finally, the concentration of senior management functions and advanced business services – banking, consulting, R&D – associated with the global functions of larger metropolitan cities are strongly associated with design, marketing and various media services.

A major policy focus over the last twenty years has been on the design of *cities* as a key strategic factor determining comparative advantage in cultural industries. Cities are important for a number of reasons. As major population centres, they offer significant markets for cultural production, exhibition and performance. They are powerful magnets for talent, not just as markets, but also for the creative inputs and ‘lifestyle’ attractions they are able to provide. With their dense networks and connections, they facilitate important links in value chains and are sites for the management and coordination of functions. They are also where government and corporate investment is largely concentrated.

#### **Museum of Old and New Art, Tasmania**

In 2011 David Walsh, a gambling multi-millionaire, opened an \$80 million museum built to house his huge collection of antique and contemporary art. It has proved very popular, responsible for a 40% increase in Qantas seat bookings to the island state. It has increased the number of hotel rooms, restaurants, up-market retail and other aspects of the visitor economy. It has developed two music and art festivals, in summer (MONA –FOMA) and winter (Dark MOFO). It has also changed perceptions of Hobart amongst locals and visitors alike. The arts and cultural agencies have begun to re-think the possibilities of Hobart and Tasmania in terms of the new cultural value it has acquired. The challenge is to find the language in which these multiple values can be translated into appropriate governance.

In this context, the quality of Australian cities is a major comparative advantage. They frequently appear among the world’s best in quality of life or ‘liveability’ rankings. In the most recent EIU (2013) *Global Liveability Ranking*, for example, four Australian cities ranked among the top ten (Melbourne, Adelaide, Sydney and Perth), more than any other nation<sup>29</sup>. This attractiveness is by no means only for

<sup>29</sup> EIU (2013) *Global Liveability Ranking and Report August 2013*, The Economist Intelligence Unit, [https://www.eiu.com/public/topical\\_report.aspx?campaignid=Liveability2013](https://www.eiu.com/public/topical_report.aspx?campaignid=Liveability2013)

cultural industries. The high concentration of a range of cultural sector facilities, events and agglomerations contributes in no small way to the inward flow of visitors, investment, international students and skilled migrants.

There are a number of obvious cases in Australia where ‘culture’ has played a significant role in raising the international profile and attractiveness of cities. Sydney’s opera house is a global icon, the Adelaide Festival has long established South Australia as a significant point on the international touring circuit, Melbourne’s music scene is recognised worldwide and the Museum of Old and New Art (MONA) has changed perceptions of Hobart, inviting comparisons with international examples of arts-led civic regeneration such as the widely-cited case of Bilbao in Spain.

A key challenge facing larger cities everywhere has been the rapid rise in real estate prices forcing many small businesses – including artists and cultural businesses – to leave the city. This is given added edge as in many cases it was the exploratory cultural use of old buildings or run-down areas which gave them new value and allowed such areas to be re-inserted into the higher end of the urban real estate market. ‘Gentrification’ is the rather vague and pejorative term for much of this. It is widely acknowledged that independent cultural businesses, small scale arts venues, cheap, flexible workspace and accessible cheap rented accommodation, small cafes and bars and so on all contribute to the vibrancy of a cities cultural economy and life in general. But the value growth through real estate always beats that of a small cultural or related business, with the result that ‘creative assets’ have little sway against the power of urban land markets.

#### **Renew Newcastle**

Alongside gentrification in the metropolitan inner cities has been the rapid disinvestment in smaller towns and suburban centres. These urban dead zones have brought real challenges to their civic identity and viability. *Renew Newcastle*, headed by Marcus Westbury, developed a vision and some legal tools to open up empty property for creative use. In 2009 Newcastle was voted one of the world’s top ten ‘coolest cities’ by *Lonely Planet*. Since rolled out in other states *Renew Australia* is an attempt to highlight the potential for urban animation of small-scale creative use as well as providing opportunities for new start artists and cultural businesses.

<http://renewnewcastle.org>

<http://www.renewaustralia.org>

### *6.2 Rural and Regional Australia – Questions of Inclusion*

At the same time, there are reasons for caution about focusing exclusively on cities. While Australia is a highly urbanised society, it has vast non-metropolitan regions of major importance for the national economy. If we consider the cultural industries only in terms of their immediate economic value, we might perhaps dismiss the

regions as almost irrelevant. Given, however, that these industries are intimately involved with other values, to do so would involve unacceptable social and political costs. A 2012 report by Desert Knowledge Australia, found that residents of remote Australia – some 85% of the continent – feel a deep sense of ‘disconnect and discontent’ in relation to the rest of the nation. While many of the problems relate to governance and economic inclusion – a lack of say in decisions and of equitable and sustainable financial flows – others are specifically cultural. Many of those interviewed for the report voiced frustration or resentment at a lack of inclusion in ‘a greater Australian narrative’<sup>30</sup>.

There has been increasing recognition of the importance of the cultural economy for rural and regional Australia from outside the cultural industries themselves. Mining companies, for example, have recognised the importance of culture in the amenity of remote areas in which they operate, seeking to improve relations with Aboriginal communities through the arts and supporting festivals and cultural events in places such as Tom Price, Paraburdoo and Pannawonica<sup>31</sup> (see, for example, Rio Tinto, 2014). More generally, local governments across regional Australia have sought to sustain a cultural infrastructure, not only for its intrinsic benefits in improving quality of life, but also as essential in maintaining the human resources for rural industries.

It should also be noted that rural and regional Australia provides an important resource for cultural industries in the narratives, images and identities with which they are associated. Despite a long history of urbanisation, ‘the bush’ and ‘the outback’ have always loomed large in representations of Australia and are a significant part of the nation’s cultural heritage. They are also important to international tourism, representing, for many visitors, what is most ‘different’ or ‘unique’ about Australia and therefore as exercising the strongest pull. Rural and regional Australia have a significant place in Australia’s tourism economy. For this reason, too, it cannot be excluded in considering the nation’s comparative advantage in cultural industries.

### 6.3 *The Suburbs*

Differences between cities and the regions are not the only question to be addressed in relation to the distribution of cultural industries. There are also significant differences to be noted *within* cities. In the attention given to cities in research and policy development on the cultural economy, the focus has in fact usually been restricted to the *inner core* of cities, where cultural facilities and creative talent are most concentrated. This is particularly problematic in Australia, where cities do not follow the compact model found in much of Europe, but are generally sprawling metropolitan regions, with extensive suburban tracts at a significant distance from the city centre. The suburbs cannot be seen merely as dependents on the central city; they have their own independent sense of place and internal organisation.

---

<sup>30</sup> BW Walker, DJ Porter and I Marsh (2012) *Fixing the Hole in Australia’s Heartland: How Government needs to work in remote Australia*, Desert Knowledge Australia, Alice Springs, <http://www.desertknowledge.com.au/Files/Fixing-the-hole-in-Australia-s-Heartland.aspx>

<sup>31</sup> See for example, Rio Tinto (2014) ‘Culture’, <http://www.riotinto.com/ironore/culture-9614.aspx>

While the suburbs have often been derided as a ‘cultural desert’, the suburban contribution to Australia’s cultural economy is substantial. A recent ARC-funded study, ‘Creative Suburbia’, found significant numbers of dedicated creative practitioners even in what might be considered ‘unpromising’ outer suburbs such as Frankston and Dandenong in Melbourne or Redcliffe and Springfield in Brisbane.<sup>32</sup> This is consistent with a suburbanisation of employment across all industries over the past two decades. Urban planning consultant Alan Davies has calculated that in Melbourne, for example, the median distance of jobs from the city centre increased by 46% over the 25 years 1981 to 2006, from 9.5km to 13.9km.<sup>33</sup> A significant driver in the cultural industries has been the cost of inner city real estate. The risk involved in many of these industries, as well as the typical lead time in becoming established, mean that cheap rents are often critical. It is generally now only in the outer suburbs that these can be found.

The suburbs are also an important forming ground for cultural industries. They are home to wide range of educational and cultural institutions, from local art galleries and museums, to community arts and craft centres, adult education and community colleges, amateur theatre and musical societies, language classes, bands and orchestras. While the headline ‘success stories’ of Australian cultural industries may appear as belonging to the inner city or to global metropolitan circuits, they have often been nurtured and rehearsed in suburban community centres, church halls and garages.

The international appeal of Australian suburbia should also not be underestimated. There has sometimes been bemusement that international visitors to Melbourne could be persuaded to spend \$55 and half a day to visit the unremarkable suburban cul-de-sac that is the location for Australia’s longest-running soap opera *Neighbours* (\$75 for the ‘Ultimate Fan Tour’).<sup>34</sup> However, it should not be entirely surprising. From an international perspective, there is much that is attractive about Australian suburbia – its open social fabric in which many can find a place, its humour, understated sense of community and models of relatively peaceful co-existence. A soap opera representation, as in *Neighbours*, is obviously an idealisation, but it is draws upon a real social and cultural phenomenon. A ‘suburban sensibility’ could be found in many other areas of Australian cultural expression – from pub rock to the ‘suburban surreal’ of Mambo designs – and could be counted as an area of comparative advantage.

#### *6.4 Rethinking the Cultural Economy of Cities and Regions*

Recognising the distinctive geography of Australia’s regions and suburbs might lead us to return to the question of cities with an altered perspective. The problem

---

<sup>32</sup> Emma Felton, Terry Flew, Mark Gibson, Phil Graham and Anna Daniel (2010), ‘Resilient creative economies? Creative industries on the urban fringe’, *Continuum: Journal of Media and Cultural Studies*, 24:4, pp.619-630.

<sup>33</sup> Alan Davies (2009) ‘Jobs in the Suburbs. The Structure of Suburban Employment in Melbourne.’ Paper presented at Creative Suburban Geographies, Queensland University of Technology, Brisbane. [http://www.slideshare.net/C\\_C\\_I/creative-suburban-geographies-alan-davies](http://www.slideshare.net/C_C_I/creative-suburban-geographies-alan-davies).

<sup>34</sup> Viator (2014) ‘The Official “Neighbours” Tour of Ramsay Street’, <http://www.viator.com/tours/Melbourne/The-Official-Neighbours-Tour-of-Ramsay-Street/d384-5325BNT>

with the urban emphasis in policy development in cultural industries over the past twenty years is not only that it has excluded non-urban or sub-urban regions. It is also that it has assumed a narrow economic focus, resulting in mechanical approaches unsympathetic to local differences. As urban design and cultural economy expert Kate Oakley (2004) has argued in the United Kingdom, there has been a tendency to adopt a ‘cookie cutter’ approach, in which every city must follow the same recipe, emulating global centres of fashion and style with a superficial appearance of hip urban sophistication.

In the UK, the global template is, of course, London where the cultural economy is a very significant sector in its own right and also central in attracting and holding mobile workers in other industries. Yet the success of London itself was not achieved by a narrow economic focus. Much of it can be seen as the result of organisations and individuals simply pursuing their own passions. In the policy arena, many of the most important initiatives were developed by the Greater London Council in the 1980s, before the global ‘creative cities’ policy agenda had really taken hold<sup>35</sup>. The objectives of the GLC were, in part, to stimulate the economy, but they were always also much wider than this, building on other energies and following social or cultural imperatives such as improving access and democratic participation.

Similarly, Australia will gain most advantage in its ‘geographic strategy’ for the cultural economy by looking at the latter in broad terms and by recognising the complex linkages between economic and other values. Australian cities have significant strengths as sites for the development of creative and cultural content. However, the regions and suburbs must also be considered and the central cities need to be understood in their own terms rather than according to a supposed global template.

Finally, this rethinking of the role of Australian cities will have to address the issue of how culture contributes to the negotiation of local and global identities. As the section below outlines, Australian cities are highly diverse and can be seen as one of their core strengths for the future. At the same time this diversity brings challenges traditional cultural policy often has difficulty coming to terms with. Cities can play a key role in the process of negotiating complex and cross-cutting identities, and providing new forms of urban citizenship which are broad and flexible enough to manage such diversity. We return to this in section 8.

---

<sup>35</sup> Franco Bianchini (1987) ‘GLC R.I.P. 1981-1986’, *New Formations*, 1, pp. 103-117

## 7. Cultural Diversity

### 7.1 Australia's Cultural Diversity in International Perspective

One of the most distinctive features of Australia is its cultural diversity. More than a quarter of the current population is overseas born and the source countries for migration have become increasingly varied. Indeed, in terms of net migration per capita, Australia now ranks ahead of other major immigrant nations such as the United States, which has long leveraged its migrant diversity in attracting global talent and in projecting its influence around the world. On recent figures, Australia receives 5.93 migrants per 1000 head of population per year, whereas the United States receives 3.62.<sup>36</sup>

Australia's cultural diversity needs to be understood in the context of an enormous increase in global mobility over the past thirty years, a development which is having profound effects on societies and economies around the world. In the Asia Pacific region, the most dramatic example is China which has seen an exponential increase in outbound travel since its adoption of an open door policy in the late 1970s. International mobility is, of course, not the same as migration, but the distinction between the two has also weakened in this period, with an increasing incidence of 'temporary' or 'circular' migration (GCIM, 2005).

In 2011 net overseas migrant arrivals in Australia reached more than 456 000, of whom 217 000 were on temporary visas and 79 000 on permanent visas (ABS, 2013).<sup>37</sup> More than 75% of migrants now come from countries other than the main English-speaking countries (or 80% for those on temporary visas). The top two source countries for migrants in 2012-13 were India and China. The United Kingdom is still a significant source at number three, but makes up only 11% of total migrant arrivals.<sup>38</sup>

---

<sup>36</sup> CIA (2014) 'Country Comparison – Net Migration', World Fact Book,

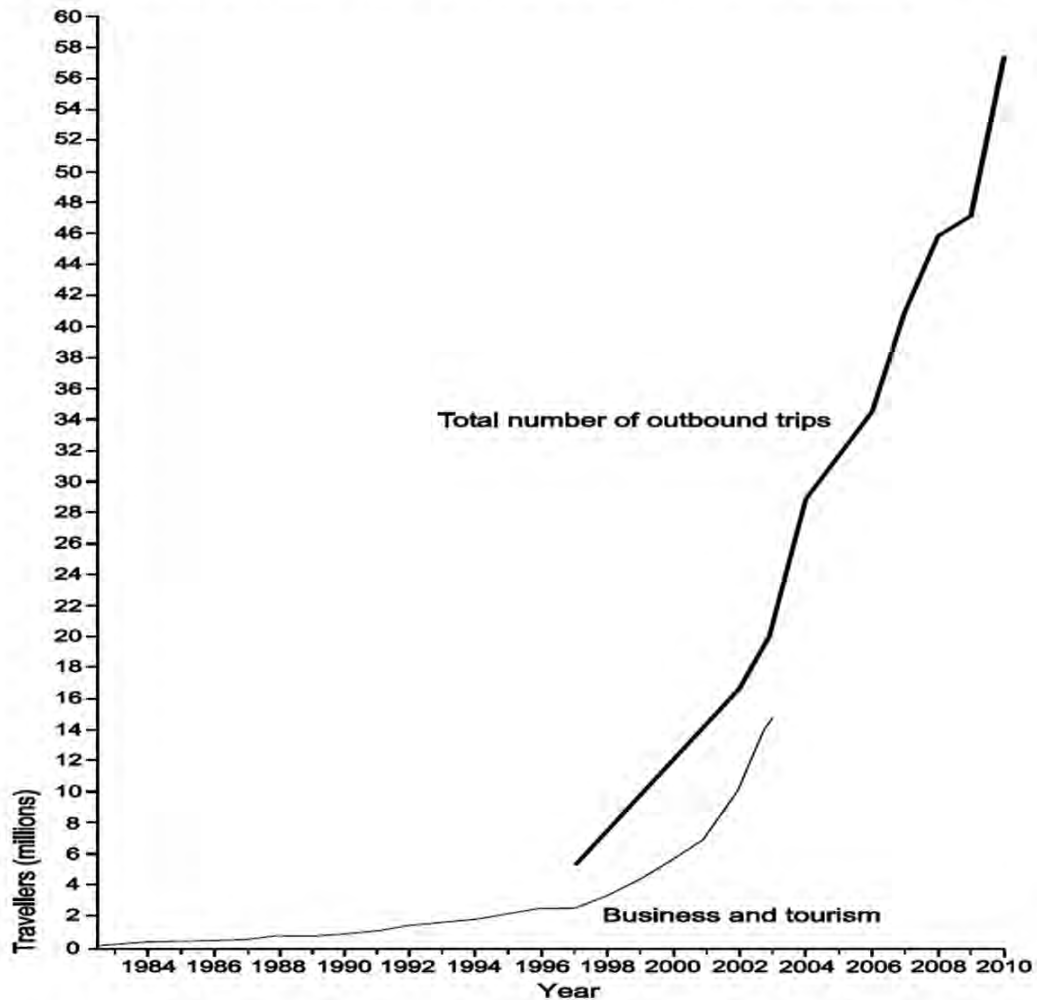
<https://www.cia.gov/library/publications/the-world-factbook/rankorder/2112rank.html>

<sup>37</sup> ABS (2013) 'Net Overseas Migration', 3412.0 - Migration, Australia, 2011-12 and 2012-13, Australian Bureau of Statistics,

<http://www.abs.gov.au/ausstats/abs@.nsf/Lookup/3412.0Chapter32011-12%20and%202012-13>

<sup>38</sup> DIC (2013) '2012-13 Migration Program Report', Department of Immigration and Citizenship, <https://www.immi.gov.au/media/statistics/pdf/report-on-migration-program-2012-13.pdf>, p.3.

**Figure 8.** Number of Chinese travelling abroad for business and tourism, 1981-2003; and total number of outbound trips from China, 1997-2010



Source: *Far Eastern Economic Review*, 24 June 2004, 30; *Asia Times Online*, 9 February 2006; Li and Fung Research Centre, 2010; Yu, 2010; Chao, 2011

Adopted from Graeme Hugo, *The Changing Dynamics of the Australia/Asia-Pacific Migration System and Its Implications for Australian International Migration Policy*

## 7.2 Economic Benefits of Cultural Diversity

There are a number of ways in which questions of comparative advantage intersect with those of cultural diversity. The most obvious is probably the contribution which diversity can make in international competition for skilled migrants. In an era of accelerated mobility, this has become an increasingly important arena and it is one in which a diverse cultural profile can be a significant advantage.

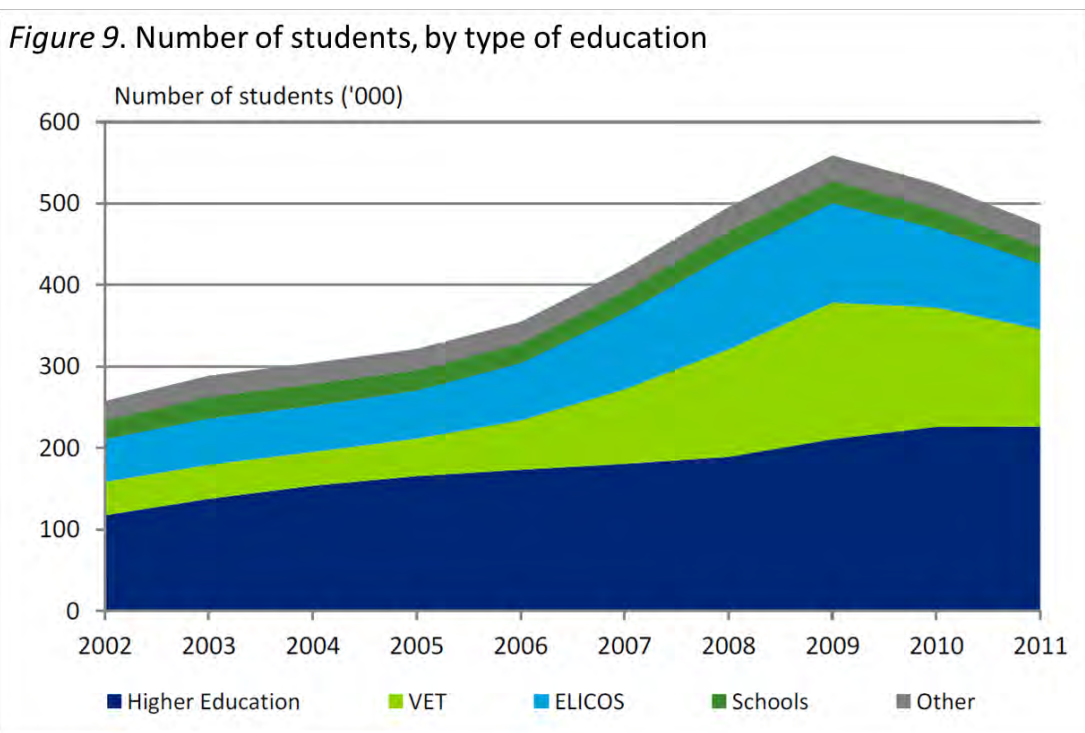
Australia's skilled migration program has delivered a number of economic benefits since its expansion in the mid 1990s. It now accounts for approximately 68% of permanent migrants to Australia, the most common occupations for visa grants



being Professionals, Technicians and Trades Workers and Managers.<sup>39</sup> Skilled migrants have helped to fill shortages in the labour market, contributing to economic growth. They are on average younger and better educated than the Australian average and therefore boost participation and productivity.

Australia’s cultural diversity is widely used in promoting the nation to prospective skilled migrants. For example, the Department of Immigration and Border Protection website promotes the nation’s culinary diversity: ‘Australia is a country of many cultures, each of whom brings their own flavour to the Australian way of life. This story illustrates the way food is contributing to Australian diversity’.<sup>40</sup> The website also features testimonials from recent migrants about the openness and tolerance of Australia. For example, Gladys, a Chilean-born civil engineer working as a Project Coordinator on the Gorgon natural gas project in the Pilbara tells others who may be thinking of the move: ‘It’s easy to live here because they give you the opportunity to learn and to improve regardless whether you are or not Australian ... you don’t feel like you don’t belong, you are part of the society and you have the same opportunities that everybody has’.<sup>41</sup>

Such promotions of Australia around cultural diversity and social inclusion are also important in attracting temporary visitors – from tourists to business visitors and international students. Each of these brings significant economic benefits. In 2011,



Source: Australian Education International

<sup>39</sup> DIC, p.3

<sup>40</sup> DIBP (2014a) ‘Live in Australia’, Department of Immigration and Citizenship, <http://www.immi.gov.au/Live/Pages/Live.aspx>

<sup>41</sup> DIBP (2014b) ‘Video Living in Australia is an amazing experience’, Department of Immigration and Citizenship, <http://www.immi.gov.au/News/Pages/success-story-video-gladys.aspx>



activity related to international education alone contributed almost \$14 billion to the national economy.<sup>42</sup> Cultural diversity is routinely foregrounded in marketing to international students and it is reasonable to assume that it has been a significant factor in Australia's success in this field.

### *7.3 Cultural Benefits of Diversity*

There are also social and cultural benefits for Australia in migration. As in other settler societies, it has contributed to the very identity of the nation. Increasing levels of European and Asian migration from the 1950s played a significant role in breaking assumptions that Australia was merely a derivative culture, an outpost of Britain in the South Pacific. In the latter part of the twentieth century, Australia came increasingly to be recognised as a new and even bold experiment in cross-cultural exchange between groups from all over the world.

Australia's location gives it a unique opportunity to participate culturally and intellectually in the Asia-Pacific region. It is a location which might be characterised in general terms as close but also displaced or detached. On the one hand, Australia is exposed to the enormous changes taking place in the region – through increasing levels of Asian migration, as well as contacts through business, education, tourism and regional forums. On the other hand, it retains its democratic traditions and historical links with Europe and North America, providing a platform for cultural processing or reflection which is not always possible in Asia itself.

An example of this is a growing engagement between Australia and Asia in film. A recently completed ARC Discovery project on Asian Australian Cinema documented 539 films, 400 directors and 620 production companies which have had some involvement in this exchange.<sup>43</sup> Other examples include exchange in art, through the initiatives such as the contemporary Asian collection at the Gallery of Modern Art in Brisbane and the residence in Australia of significant Asian artists such as Jia Wei Shen and John Young Zerunge.

The cultural benefits for Australia in its diversity could be considered as an end in themselves. But they also feed back into economic benefits: those who are attracted to Australia for cultural reasons are likely also to invest in the country, to develop business exchanges or to choose it as a tourist destination. International students who come first primarily because of cultural factors – Australia's reputation in education, its open democratic society or its positive models of social inclusion – will often go on to become leaders in their own countries, making decisions in government or business which may affect Australia's future economic prospects.

---

<sup>42</sup> ACPET (2013) 'The Economic Contribution of International Students', Australian Council for Private Education and Training, Report prepared by Deloitte Access Economics, [http://www.acpet.edu.au/uploads/files/Reports\\_Submissions/2013/Economic-Contribution-Executive-Summary.pdf](http://www.acpet.edu.au/uploads/files/Reports_Submissions/2013/Economic-Contribution-Executive-Summary.pdf)

<sup>43</sup> Olivia Khoo, Belinda Smaill and Audrey Yue (2012) *Transnational Australian Cinemas: Ethics in the Asian Diaspora*, Rowman and Littlefield.

#### 7.4 Diversity in the Cultural Industries

The cultural industries have an important role to play in maximising the advantages which Australia might gain through cultural diversity. Like all industries, they are themselves a terrain of workplace relationships and everyday encounters on which questions of diversity are played out. But they are also more than this, participating centrally in the formation of attitudes, values and modes of understanding.

There is a rich history of contributions by Australian film, television, literature, art and music in this area, from biographies of the migrant experience to representations of a functioning multiculturalism. In recent years, the engagement with cultural diversity has sometimes come to be regarded as an ‘elite’ concern, restricted to those with a taste for ‘difficult’ fiction or art house cinema. However, it is much more broad-based than this, having deep roots in Australian everyday life and popular culture.

A recent example of this – one for which it is also not hard to draw connections with comparative advantage – is the 2011 film *Red Dog*. The film was a family comedy with elements of a love story, based around quirky characters involved in the mining industry in Dampier on the north-west coast of Western Australia. It is very clearly Australian, drawing on iconic images of the ‘outback’ and invoking the rough good humour established for over a century in work sites in remote parts of the country. But at the same time, it is thoroughly multicultural, with a colourful caste of characters from many different parts of the world.

*Red Dog* could not be seen as a self-consciously ‘multicultural’ film, nor does its director Kriv Stenders have a profile as a ‘multicultural’ film-maker. Cultural diversity is simply present as a consequence of the Australian context and production. It is as natural that a group of workers in the mining industry should be represented as diverse as it is that one of Stenders’ early films was a documentary, *Motherland*, which moves between Brisbane and Latvia, tracing aspects of his Latvian heritage.

At the same time, questions might be raised about the inclusion of less-established migrant groups in the cultural economy. The cultural industries typically present higher barriers to entry by ‘outsiders’ than other industries. Becoming established often requires lengthy periods in unpaid or poorly paid work – a cost that new entrants can generally not afford. Entry in many areas is governed by network contacts, resulting in a tendency to reproduce established employment profiles. State subsidies in the arts can also institute barriers, leading to the formation of arts and culture lobbies more interested in preserving current arrangements than in promoting change.

The variety and diffuseness of the cultural industries makes it difficult to locate precise figures on cultural diversity across the sector as a whole. The best information is available for government-funded organisations such as the Australian Broadcasting Corporation. In its most recent Equity and Diversity Annual Report, the ABC reported that 12.7% of employees had a non-English speaking background (NESB). This is only marginally less than total population figure sometimes

estimated of around 15%.<sup>44</sup> However, NESB employment was concentrated in areas such as technological support (28.4%) and to some extent Administration (19.8%). The NESB participation in developing creative content was markedly lower (8.3%).<sup>45</sup>

It is likely that a similar bias can be found more generally in the cultural industries. It is consistent with a tendency for recent migrant groups to favour education in more technical fields such as business, science or engineering over humanities, social sciences or the creative arts. The employment diversity of cultural industries in Australia is one area that could be addressed in considering their possible contribution to the nation's comparative advantage.

**Table 7. Representation of People of Non-English Speaking Background by Occupation**

Occupational Group	AUGUST 2013				AUGUST 2012			
			Staff with EEO Data				Staff with EEO Data	
	No.	%	No.	%	No.	%	No.	%
Senior Executive	35	11.2	312	90.4	33	11.3	292	89.8
Administrative/Professional	143	19.8	723	88.1	127	18.8	677	85.6
Content Maker	188	8.3	2 275	75.2	174	8.2	2 121	71.2
Technologist	93	28.4	327	87.4	78	25.5	306	86.0
Retail	24	14.9	161	77.8	24	16.3	147	79.9
<b>Total</b>	<b>483</b>	<b>12.7</b>	<b>3 798</b>	<b>79.6</b>	<b>436</b>	<b>12.3</b>	<b>3 543</b>	<b>76.4</b>

(Number and percentage based on Total Head Count, Non-Casual Staff, within Occupational Group, who provided information on the ABC's EEO Data Collection Form in regard to their non-English speaking background. Staff with EEO data represents Total Head Count, Non-Casual Staff, who completed the language section of the EEO Data Collection Form—both English speaking and non-English speaking backgrounds.)

Source: Australian Broadcasting Corporation, Equity And Diversity Annual Report 2012-13

<sup>44</sup> For example, ABS (1999) 'Population Composition – Languages Spoken in Australia', 4102.0 Australian Social Trends, 1999, Australian Bureau of Statistics, <http://www.abs.gov.au/AUSSTATS/abs@.nsf/2f762f95845417aeca25706c00834efa/d67b7c95e0e8a733ca2570ec001117a2!OpenDocument>

<sup>45</sup> ABC (2013) Equity and Diversity Annual Report 2012-2013, <http://about.abc.net.au/wp-content/uploads/2014/02/EquityandDiversityAnnualRPT2012-13.pdf>, p.23

## 8. Key Challenges for Comparative Advantage

In this section we briefly highlight some of the key challenges facing Australia in terms of its cultural sector in the coming decades.

### *8.1 Governance and Core Values: State, Market, Citizenship*

As we suggested above the cultural sector may best be approached as a service sector rather than a special industrial sector or innovation system – though it clearly involves these two as elements. In terms of governance the challenge is to ensure the quality of, and equitable access to, a wide range of cultural goods and services. Doing so is a commitment to, and strengthening of, the core values of cultural citizenship within an economically advanced liberal democracy.

This complex sector, involving the production, circulation and consumption of very diverse goods and services in very diverse contexts, is an economy. It involves money, contracts, employment, markets, state investment, global capital, education and training, profit, materials, logistics – and so on. But like health and education these formal economic elements (that is amenable to a particular kind of cost-benefit and rational utility analysis) are embedded in a range of social, cultural, ethical, civic, national values that impact on the operation and governance of the sector in a myriad ways. The high levels of volunteer, free, informal, not-for-profit, state funded, philanthropic labour indicate this clearly, as do the complex ways in which the diverse value of these cultural goods and services is expressed and used by individuals and communities.

A cultural economy approach to governance is not simply about ‘the economics of culture’ but an attempt to understand how this complex sector holds together, how it creates and circulates value(s), and how it might form an object of governance.

The landscape of cultural policy has been vastly complicated in the last few decades by the rise of cultural consumption – driven by rising levels of education, leisure and spending power – and the growing aspirations to participate in the production of culture, from amateurs all the way up to full time professionals. This has seen the market for all kinds of culture grow, and has opened up that market to ever more participants. The Internet accelerated but did not start this mass participation in cultural production. And though technologies of production, reproduction, distribution and social exchanges around these have been crucial, it is the aspirations towards enhanced and extended cultural participation that are most significant.

These developments have challenged existing arts policies (based around direct government funding for traditionally legitimised ‘high arts’); national broadcasting configurations (based on government monopoly over relatively scarce ‘airspace’ or ‘bandwidth’); urban policies (where culture and leisure are now major requirements for citizens, visitors, skilled workers and inward investors); educational provision (where media, communications and creative arts programs have multiplied despite many obstacles placed before them by governments and traditional universities); and a range of other legal regulations of content (classification systems, intellectual property, distribution of royalties and various rights-based monies).

It is clear that the ‘default’ position holding up to the 1970s (at least) - that only traditionally sanctioned ‘high art’ was worthy of subsidy and the rest of (‘popular’) culture left to the market, and that national identity-building set the broad parameters for cultural industries policy around film and broadcasting – was no longer tenable. However, responses to these transformations have taken place against a backdrop of a wider debate around the respective roles of State and Market – often in a zero-sum context with the positive-negative attributed differently across the political spectrum.

These debates are often presented the proper a balance between State (Culture) and Market (Economics), but this misunderstands that the focus on the market provision of culture is not simply about ‘making money’ but about individual choice and self-reliance as central to liberal political philosophy. Indeed this liberal philosophy underpinned much of Australia’s late colonial and early national arts, cultural and educational policy, providing libraries, galleries, concert halls and a range of related educational facilities all aimed to producing self-reliant liberal democratic citizens<sup>46</sup>. In Australia’s case this was done with a sense of democratic equalitarianism that has persisted ever since (at least in aspiration).

*Creative Nation* was an attempt to articulate a newer version of the relationship between state and market, nation and cultural identity, in the context of a less deferential, more active, more educated, more diverse and more globally connected citizenship. Its multicultural vision, as we have seen in section 7 has been relatively successful – though the issue of asylum seekers has raised issues of Australian insularity again. Its opening up to commercial popular cultures has certainly become more the norm in the way we value culture, but as we have argued above, this embrace of non-state subsidised culture has been all too frequently reduced to an ‘economic impact’ in the form of the creative industries.

That is, the debates around a new kind of cultural policy became increasingly about the justification of culture in terms of economic competitiveness, that only the market could guarantee the range and quality of cultural goods and services, that nation states had no role in this provision and that any such state directive, other than the most basic infrastructural provision, were elitist/ patronising, or authoritarian and illiberal, or displaced a more dynamic market provision.

It is not the intention of this report to decide on the social-democratic/ neo-liberal debates of the past three decades. Just to note first, that at present this is making cultural policy very fraught and has put cultural value in crisis. Second, that there are many areas in which purely market-based provisions are not working or are producing inequitable and poor quality outcomes. Third, that whilst people may be more wary of state provision they have strong collective values which they see best guaranteed by the ‘public’ authorities rather than the private sector.

---

<sup>46</sup> Bennett et al (1999) *Accounting for Tastes. Australian Everyday Cultures*. Cambridge: Cambridge University Press. Ch.9

With this in mind we highlight a number of areas where a broader cultural economy thinking might be useful in looking at the ways in which Australia might use culture as a way of strengthening economy and society around its core democratic values.

## *8.2 The Arts*

Though cultural policy often claims to go beyond the arts in the narrow sense it tends to come back to them as its primary concern. In part this is because these have had traditional legitimacy; in part because they are expensive and take up most of the limited budgets. The arts at present are in a legitimacy crisis as surveys repeatedly show how audiences for the visual and performing arts are skewed towards the professional classes and those with higher levels of education - more generally those in higher socio-economic categories. The Opera usually stands in for this kind of 'higher middle class subsidy'.

However, more detailed surveys show a more nuanced picture. A large scale survey in 1999 made a distinction between private art and antique collecting; partially subsidised culture (mostly performing arts) where there is also a point of entry charge; a public culture which is free - such as museums, libraries and galleries.

Private collecting was very much restricted to those with money and education. The performing arts, which makes up 'subsidised culture', were derived from an older courtly tradition, often relying on codes of participation that were highly off-putting, and its institutions had less of a commitment to democratic access. Participation rates were much wider in public culture, which not only reflects the free entry but - it has been suggested - the ethos of these public institutions, going back to the older social-democratic and liberal citizenship traditions, in which civic and national belonging and public education were core values.

The legitimisation crisis is complex and contradictory. People who do not attend resent taxes going to their subsidy; on the other hand there are high levels of good will towards institutions that they do not use. However, there has been a concerted effort in Australia and elsewhere to extend public participation and access from museums, to art galleries, and to the performing arts.

**The opening up of Sydney Opera house, the proliferation of large and niche festivals, the popularity generated by the new approaches to art galleries as in MONA, Hobart, Queensland Museum of Art, Brisbane and the Melbourne Now Exhibition at the National Gallery Victoria: these all suggest Australia could take a lead in a new democratic non-patronising approach to building new audiences for the arts.**

However there are some challenges around the governance of the arts. The main charges against the Australia Council as the lead federal body are that state funding goes to large institutions and well-known artists, and that it is highly risk averse when dealing with more fluid, complex, scenarios. One aspect of this is that funding is strictly quarantined from various commercial uses, with organisations feeling penalised for being entrepreneurial. Another is the inability to fund smaller events with more uncertain outcomes. There is also a feeling of a sharp winner-take-all

divide between the large flagships with their large economies and the ‘flotilla’ of small entities that rarely get access to these economies.

There is debate about how the role of the Australia Council might be re-framed – and this is part of a more global debate around arts funding bodies established in a different era – but at the moment defending itself against cuts seems to be the main concern.

One major problem, from the point of view of this report, is that the cultural or creative industries have been a peripheral concern of the arts and cultural funding bodies, who see this as an economic add-on (often in the form of creative industries) rather than as a reconfiguration between a full-range of cultural products, services, practices and institutions and traditions which has combined social, cultural and economic value combined in complex ways.

### *8.3 Equity and Participation*

As section 7 indicated there are problems of representation of ethnic minorities and migrants in the cultural sector. Other studies have shown this also to apply to women and lower socio-economic groups<sup>47</sup>. The reasons for this relate to i) the informal nature of job recruitment in a sector where formal qualifications do not operate as outside and informal decisions are the norm; ii) access is through informal networks which are related to family, educational and industry connections to the exclusion of those without these; iii) the growth of free labour and internships over the past decade has meant that significant support networks (often family) are required to sustain an early career in the sector.

We might also note the stricter conditions for the receipt of welfare payments as well as university repayments will have strong implications for further inequalities of access to cultural employment.

This is not just about access to employment; the freezing out of certain groups will have strong implications for the sort of culture we get.

Evidence has long been available that suggests Australian artists are subject to very low pay<sup>48</sup>. The CHIC report indicated that though average pay in design and marketing might be rising it was not so in other part of the cultural/ creative industries sector. Evidence globally suggests an increasing ‘precarity’ of work in the cultural sector – where conditions of job security, hours of work, access to training, maternity leave and the autonomy of creative tasks have been increasingly eroded.

All these aspects of cultural work have been severely downplayed in the boosterism around creative industries but need to be addressed as a central issue in the quality of the cultural sector.

---

<sup>47</sup> For a recent UK survey:

[http://creativeskillset.org/assets/0000/5069/2009\\_Employment\\_Census\\_of\\_the\\_Creative\\_Media\\_Industries.pdf](http://creativeskillset.org/assets/0000/5069/2009_Employment_Census_of_the_Creative_Media_Industries.pdf)

<sup>48</sup> Cf. Throsby and Zednik:

[http://www.australiacouncil.gov.au/\\_data/assets/pdf\\_file/0007/79108/Do\\_you\\_really\\_expect\\_to\\_get\\_paid.pdf](http://www.australiacouncil.gov.au/_data/assets/pdf_file/0007/79108/Do_you_really_expect_to_get_paid.pdf)

#### 8.4 Education

One contradiction frequently pointed out is that between the claims around the knowledge economy, research and development and skilled human capital and the on-going reduction of state spending on these by the Australian government to rate well below OECD averages.

Arts and humanities subjects have been consistently underfunded by governments and universities even though they remain extremely popular as subject choices (and therefore as university income). Equally, universities have sought engagement with industry and more recognition of the creative dimensions of the educational experience; nevertheless the mechanisms of control in universities have become increasingly linked to the quasi-markets of KPI and finance indicators resulting in a large ‘creative deficit’. That is, universities have become increasingly uncoupled from direct, flexible and creative engagement with the cultural sector.

At this stage, it is not clear as to the impact of higher university fees – which are set to increase disproportionately for creative arts and humanities – on the recruitment of ethnic minorities and lower socio-economic groups to these subjects. Nor is it clear what the impact of this will be on existing inequalities in access to employment in the cultural sector.

Finally, the predominant mode of justification at university level for direct vocational relevance and contribution to GDP has had a destabilising effect on creative arts schools. Whilst many of the ‘elite’ arts training academies are likely to survive, equitable access to arts schools – which have been the foundation of much innovative art and popular culture over the last half century<sup>49</sup> – is likely to retreat in favour of those students able to pay high fees for uncertain outcomes.

#### 8.5 Cities, Social Cohesion, Citizenship.

We have discussed cities in a number of places above (sections 1.2; 5.4; 6). Cities have a major role to play in the governance of the cultural economy.

Cities are major centres of cultural infrastructure and institutions, production and consumption. These contribute to visitor attraction, inward investment, skilled migration and other economic benefits. The cultural economy of the city is complex and diverse (see figure 7 above), involving networks and clusters bound together by shared externalities, norms and values. At the same time these activities are sources of volunteering and participation, and of a range of formal, informal and part-time employment and trading activity which are deeply embedded in the social and cultural life of the city and contribute to the quality of urban life and its core, shared values. All of these are deeply intertwined with the spatial configuration of the city.

As such they are extremely complex objects of governance, and the cultural economy no less so. They also face challenges of social cohesion and identity, in which the more traditional markers or local – and indeed national – identities are

---

<sup>49</sup> Simon Frith & Phil Horne (1987). *Art Into Pop*. London: Methuen.



increasingly unclear. Though the erosion of national identity in a globalising world is easily overplayed, it is clear that urban identification – though mobile, multiple, temporary – is becoming a crucial part of contemporary social cohesion. From our perspective, this does not just concern symbolic identification – through various multicultural initiatives and projects – but also the ability to participate directly in that cultural economy. In fact the two are linked: unless there is diversity of participation in production, there will not be diversity in provision.

### **Culture, Diversity and Citizenship**

According to Manuel Castells... the division between globalism and localism 'is one of the most fundamental contradictions emerging in our globalised, urbanised, networked world'. This presents opportunities for analyses and approaches to social cohesion policy that cut across typical divisions and issues based on 'old' versus 'new' Australians. New approaches could bring to the fore the challenge of integration into the world of 21<sup>st</sup> century opportunities, not just for socially excluded migrants, but also – and perhaps even more so – for many Australian-born. They need to account for people and urban spaces that derive their meaning and identity from global mobility and connectedness and those that find them in the local place.

Questions for our policy makers include: to what extent do the different levels of government focus on metropolitan hubs of economic globalism and associated high-skilled people movement (the 'top end of town') at the cost of missing the transnational and inter-cultural connection (small business, family, etc.) in the suburbs? What are the ramifications of the rise of Australia's and Asia's global cities for the rest of the country? How should traditional models of local communities adjust to a world characterised increasingly by transnational connections, interests and mobility?

*Global Cities and Mobility: Case study of Sydney* (Discussion paper. Department of Immigration and Border Protection.

Promoting an equitable cultural economy – including the full range of formal and informal, commercial and not-for-profit, amateur and professional – is crucial to building the new kinds of civic identity in a globalised world (see box above).

To do so requires not just the language of business development – the default position for all approaches to the issue of cultural economy – but the language of values. This means a recognition of those elements of the cultural economy that lie outside formal economic analysis but which make its activities possible. This is already common amongst ecological, developmental and feminist economists – who

claim variously that the natural world, traditional cultural support and domestic labour are either taken for granted or bracketed out from the economic equation.

Thus, for example, the rising cost of education, coupled with the decline in welfare payments and the accessibility of cheap inner city space (for residential, workspace and venues) threatens to undermine one of the key hidden components of cultural economy<sup>50</sup>. The free labour given to art galleries and the local scenes within which they are embedded easily outstrips the formal public and philanthropic subsidy they receive. Similar things could be said about all aspects of the cultural economy. Failure to nurture this ecosystem has long-term consequences for the cultural economy, but at present this is difficult to register within the language and concerns of public policy.

Developments such as *Renew Newcastle*, *Renew Australia*, as well as *Creative Spaces*, Melbourne, Sydney's *Small Bar* and *Surrey Hills* initiatives - indeed Melbourne's highly successful *Postcode 3000* initiative of the late 1990s – show an awareness of key spatial issues. So too the expansion of cultural events and spaces at all levels and across different niches bespeaks a real strength in cultural policy in Australia. As shown, for example, in its success on the liveability indices. But there is a serious policy deficit around the cultural economy of cities that will need to be addressed in the short to medium term.

This policy deficit, we suggest, will not come from the technical language of creative economy development but will demand a robust re-statement of the core civic values - of cities and citizenship – for the 21<sup>st</sup> century.

One of the key obstacles to overcoming of this policy deficit is the dominance of the 'economic imaginary', where it is the contribution of cities to innovation, competitive and growth that sidelines other civic values and aspirations. Australian cities – as the box above evokes – are now connected as never before to the emergent horizon of the Asian cities. They could aspire to become cultural economy powerhouses in the Asia Pacific region. However, their ambitions, their vision and their priorities are very far from engaging with these possibilities.

## 8.6 Media

In many respects the media could have been subject of a report on its own. The 'media industries' – television, radio, recorded music, newspapers and magazines, film, and now the Internet and mobile communications devices that intersect with all these – are central to the cultural industries. Since the 18<sup>th</sup> century they have also been central to the public sphere within which the behaviours of governments and populations are framed. Indeed the commercial growth of the former has, for many, been a direct threat to the latter.

Public broadcasting has the dominant element of cultural policy since the early 20<sup>th</sup> century, and it sits at the intersection between the commercial media and the 'public

---

<sup>50</sup> For Melbourne see Kate Shaw (2013) 'Independent creative subcultures and why they matter'. *International Journal of Cultural Policy*, 19:3, 333-352

sphere' whose 'impartial' or 'democratic' or 'interest-free' qualities it is in part set up to guarantee.

This is far too big a subject to tackle here in full. From a cultural economy perspective the main issues have been:

- the proliferation of new channels of communication through new production and distribution technologies – notably the Internet;
- the globalisation of media industries – in terms of distribution and production – with the consequent demands for access to national markets;
- the convergence of broadcast media and other communications technologies which has seen new and more powerful players enter national and global media landscapes;
- a proliferation of independent media producers operating in the orbit of the larger national (public and private) and global media companies;
- the increased flows of transnational migration which has increased demand for global media flows and undermined the closed 'national identity' of many public broadcasting systems.

In this context, the need for a public broadcast system has been seriously questioned. Cultural arguments against patronising state broadcasters and national identity have joined arguments about the end of scarcity and the ability of all kinds of content to get to the public that wants it. Equally, claims have been made against public sector 'displacement' or 'unfair competition' – as tax-payers money is used to compete against those who need commercial income.

Against this are arguments that public sector broadcasting – especially television – remains a central, binding common culture as opposed to the fragmentation of niche interests. That it remains more 'impartial' than private media companies which often pursue a political and primarily commercial agenda. That the market in new media is more concentrated – despite its long tail – than the older media – only a few political blogs are read compared to the range of local newspapers for example. That the abolition of public sector regulation would lead rapidly to market concentration. Finally, that some educative function must remain with a public broadcaster.

This is a crucial debate which will mark out not just Australia's comparative economic advantage over the next decades. Will Australian old and new media – public or otherwise – be able to survive and grow in the face of relentless global competition? As one creative industries author wrote:

Nowhere is digital culture transforming economies as rapidly as in Asia. Australia's competitiveness in our region depends on our ability to engage with Asian and especially Chinese digital capital. Pan-Asian digital distribution platforms are expanding, consolidating, and professionalising. For the first time in Australia, China's major online mega-corporations including e-commerce firm Alibaba, internet company Tencent and Chinese search engine Baidu are presenting their wares at an inaugural China Digital Conference in Sydney and Melbourne in November [2013]. Do Australian creative-digital entrepreneurs possess the requisite business, language and

programming skills to take advantage of Asian digital markets and the deep export opportunities they may offer? This is a major challenge for the future<sup>51</sup>.

At the moment there can be no sure answer. We would suggest that media and cultural policy is crucial to this outcome. There is little doubt that the ABC, as with the BBC, has been caught in ideological crossfire. Yet both of these media companies have high levels of public trust and have a global presence that very few of their national private sector competitors can command. The role of such large companies as part of a wider sectoral strategy is indisputable – including catalysing local independent producers and services, providing training, tailoring to many different audience needs, managing complex commitments to national and regional populations and amassing knowledge experience on global media trading and collaborations. To attempt a media economy strategy without a strong public sector broadcaster in any other country than the US (for well know historic reasons) would be less than wise.

### Screen Australia

Film policy in Australia has been torn between its promotion of a national film industry in order to ensure Australian content, and attracting offshore production to stimulate that local industry. Critics have pointed to its inability to ‘pick winners’, others to the fickle and ephemeral nature of offshore production. Recently it has attempted to explore new areas of digital distribution and support indigenous film making – not just content but the full range of skills that underpin this.

It has had its problems but has amassed a wealth of knowledge about the specifics of film production. In 2014 it was absorbed into the Australia Council – an arts funding body – and thus has an uncertain future.

Both the BBC and ABC have pioneered the intersection between ‘broadcast’ and ‘internet’ television, with watch and listen again facilities, and with a range of on-line news and information services. There is no reason to think that the internet age has removed their *raison d’etre* – though it has completely changed the landscape. The NBN, if it happens, will be absolutely crucial to the ability of public sector broadcasters to extend, update and enhance these kinds of services.

The point we would highlight here is that Australia has a great depth of knowledge on how a cultural economy might be governed, embedded in its long tradition of public sector broadcasting. The large entities have had to account for the money they received not in terms of profitability – though their accounting systems are under ever-greater scrutiny – but in how they deliver on the values they are asked to serve.

---

<sup>51</sup> Stuart Cunningham: <http://theconversation.com/the-creative-economy-could-fuel-australias-next-boom-19108>

These value-based goals are not incompatible with profitability – as the BBC has shown – but are intrinsic to it. In this respect public sector broadcasting represents a kind of model for the complex, multi-value governance systems required by the cultural economy as a whole.

At the beginning we talked about the role of culture and media in securing an open, democratic liberal democracy. There is currently serious debate concerning the ability of democracies to stay democratic in the face of globalisation, rising inequality, the political influence of elites and business, wide-spread political disengagement and deep-seated resentment against migration and rapid social change. These equations have emerged at a time when the global economy faces some long-term challenges from financial instability, slow growth, climate change and the new global landscape of various forms of authoritarian capitalism on the Eurasian landmass.

We have suggested that the cultural economy is part of citizenship – in its access to the self-expression and community identity and the ability to participate in various formal and informal economic ways in the production of social and cultural values and the economic benefits these may bring. Securing these rights of citizenship can be at one with securing the growth of the cultural economy in all these areas. But this is unlikely to be achieved through a basic growth-led strategy couched in the language of economic competitiveness alone.

Ultimately we suggest this is the best means of engaging with the growth of the Asian cultural (and other) economies. An open, welcoming democratic, egalitarian country in the Asia Pacific is by far the strongest brand available to Australia. It could also be the means by which Australia becomes the cultural economy powerhouse of the region.

#### **GDP Growth Model**

- High growth companies (digital; media)
- Measured in employment and GDP
- Economic and business language dominates
- Value-chain model – production to consumption
- Opposed to/ replacement for manufacture
- Emphasis on innovation at all costs
- CBD and metropolitan focus
- Urban regeneration agenda
- Building based/ real estate
- Rent Rises/ gentrification
- Clusters as ‘flagship’ developments
- Business support delivery on top down model

### **Sustainable/ Equity Model**

- Innovation rooted in sustainable growth
- Non-GDP indicators (well-being; social, environmental, cultural)
- Ecosystem approach
- Acknowledgement of role of low-profit activities and businesses
- Social and cultural integrated with economic and business focus
- CBD linked to near and far suburbs; links to smaller towns and rural areas
- Urban planning for sustainability
- Multiple uses, flexible workspaces
- Links to local crafts and manufacture (re-industrial cities)
- Other indicators of creative assets in city (not just rent and tax returns)
- Big clusters as driver nodes within dispersed networks and micro-clusters
- Sector support: identifying and talking to creative intermediaries; 'business support' as part of wider educational process

## References

<http://www.culturalpolicies.net/web/statistics-funding.php>

ABS (2013) *Australian National Accounts: Cultural and Creative Activity Satellite Accounts, Experimental, 2008-09*,

<http://www.abs.gov.au/AusStats/ABS@.nsf/MF/5271.0>

ABS (2011) *Australian Social Trends, June 2011 Culture and the Arts*.

<http://www.abs.gov.au/AUSSTATS/abs@.nsf/Lookup/4102.0Main+Features40Jun+2011>

ABS (1999) 'Population Composition – Languages Spoken in Australia', 4102.0 Australian Social Trends, 1999, Australian Bureau of Statistics,

<http://www.abs.gov.au/AUSSTATS/abs@.nsf/2f762f95845417aeca25706c00834efa/d67b7c95e0e8a733ca2570ec001117a2!OpenDocument> [Accessed 30/5/14]

ABS (2013) 'Net Overseas Migration', 3412.0 - Migration, Australia, 2011-12 and 2012-13, Australian Bureau of Statistics,

<http://www.abs.gov.au/ausstats/abs@.nsf/Lookup/3412.0Chapter32011-12%20and%202012-13> [Accessed 30/5/14]

ACPET (2013) 'The Economic Contribution of International Students', Australian Council for Private Education and Training, Report prepared by Deloitte Access Economics,

[http://www.acpet.edu.au/uploads/files/Reports\\_Submissions/2013/Economic-Contribution-Executive-Summary.pdf](http://www.acpet.edu.au/uploads/files/Reports_Submissions/2013/Economic-Contribution-Executive-Summary.pdf) (Accessed 21/5/14)

Australian Government (2013) *Creative Australia – National Cultural Policy*, Commonwealth of Australia, Canberra,

<http://creativeaustralia.arts.gov.au/assets/Creative-Australia-PDF-20130417.pdf>

Banks, Mark (2014?) 'Cultural Value Project – “Cultural Industries, Work and Values”', Arts and Humanities Research Council, UK

Bennett, Tony, Emmerson, Michael and Frow, John (1999) *Accounting for Tastes. Australian everyday cultures*. Cambridge: Cambridge University Press.

Bennett, Tony (2013) *Making Culture, Changing Society*. London: Routledge

Bianchini, Franco (1987) 'GLC R.I.P. 1981-1986', *New Formations*, 1: 103-117

CIA (2014) 'Country Comparison – Net Migration', World Fact Book,

<https://www.cia.gov/library/publications/the-world-factbook/rankorder/2112rank.html> (Accessed 21/5/14)

CIIC (2013) *Valuing Australia's Creative Industries – Final Report*, Creative Industries Innovation Centre, SGS Economics and Planning,

[http://www.creativeinnovation.net.au/ce\\_report/webapp/static/pdfs/CIIC-Valuing-Australias-Creative-Industries-2013.pdf](http://www.creativeinnovation.net.au/ce_report/webapp/static/pdfs/CIIC-Valuing-Australias-Creative-Industries-2013.pdf)

- Cutler, T (2008) *Review of the National Innovation System in Australia*.  
<http://www.innovation.gov.au/science/policy/Pages/ReviewoftheNationalInnovationSystem.aspx>
- Davies, A. (2009) “Jobs in the Suburbs. The Structure of Suburban Employment in Melbourne.” Paper presented at Creative Suburban Geographies, Queensland University of Technology, Brisbane.  
[http://www.slideshare.net/C\\_C\\_I/creative-suburban-geographies-alan-davies](http://www.slideshare.net/C_C_I/creative-suburban-geographies-alan-davies). Accessed November 2011.
- DCMS (1998) *Creative Industries Mapping Document*, London, UK: Department of Culture, Media and Sport
- DIC (2012) *The Rise of China to 2015 – Social and Economic Impact of Chinese Migration*, Department of Immigration and Citizenship, Australian Government, Canberra
- DIBP (2014a) ‘Live in Australia’, Department of Immigration and Citizenship, <http://www.immi.gov.au/Live/Pages/Live.aspx> (Accessed 31/5/14)
- DIBP (2014a) ‘Video Living in Australia is an amazing experience’, Department of Immigration and Citizenship, <http://www.immi.gov.au/News/Pages/success-story-video-gladys.aspx>
- DIC (2013) ‘2012–13 Migration Program Report’, Department of Immigration and Citizenship, <https://www.immi.gov.au/media/statistics/pdf/report-on-migration-program-2012-13.pdf> (Accessed 30/5/14)
- EIU (2013) *Global Liveability Ranking and Report August 2013*, The Economist Intelligence Unit,  
[https://www.eiu.com/public/topical\\_report.aspx?campaignid=Liveability2013](https://www.eiu.com/public/topical_report.aspx?campaignid=Liveability2013)
- ESS-Net Culture (2012) (European Statistical system Network on Culture) Final Report, Luxembourg. [http://ec.europa.eu/culture/library/reports/ess-net-report\\_en.pdf](http://ec.europa.eu/culture/library/reports/ess-net-report_en.pdf)
- EU Commission (2010) *Green Paper: Unlocking the Potential of Cultural and Creative Industries*
- Felton, Emma, Terry Flew, Mark Gibson, Phil Graham and Anna Daniel (2010), ‘Resilient creative economies? Creative industries on the urban fringe’, *Continuum: Journal of Media and Cultural Studies*, 24:4, pp.619-630.
- Florida, Richard (2002) *The Rise of the Creative Class*. New York: Basic Books
- Frith, Simon & Phil Horne (1987). *Art Into Pop*. London: Methuen.



- Garnham, Nicholas (1987) 'Concepts of culture: Public policy and the cultural industries', *Cultural Studies* 1.1, 23-37
- GCIM (2005) *Migration in an Interconnected World: New Directions for Action*, Global Commission on International Migration, Geneva, <http://www.gcim.org/en/finalreport.html> (Accessed 30/05/14)
- Hugo, Graeme (2011) *The Changing Dynamics Of The Australia/Asia-Pacific Migration System And Its Implications For Australian International Migration Policy*, Working paper for the Department of Immigration and Citizenship
- IPPR (2014) *March of the Modern Makers: An Industrial Strategy for the Creative Industries*, Institute for Public Policy Research, London.
- O'Brien, Jane and Andy Feist (1997) *Employment in the arts and cultural industries: an analysis of the labour force survey and other sources*. London: Arts Council of England
- Khoo, Olivia, Belinda Smaill and Audrey Yue (2012) *Transnational Australian Cinemas: Ethics in the Asian Diaspora*, Rowman and Littlefield.
- Khoo, Olivia, Belinda Smaill and Audrey Yue (2013) 'Asian Australian Cinema', <http://asianaustriancinema.org/> (Accessed 30/5/14)
- Lash, Scott and Urry, John (1994) *Economies of Signs and Space*. London: Sage
- Luckman, Susan (2012) *Locating Cultural Work – The Politics and Poetics of Regional and Remote Creativity*, London: Palgrave Macmillan
- NESTA (2013) *A Manifesto for the Creative Economy*, Hasan Bakhshi, Ian Hargreaves and Juan Mateos-Garcia, <http://www.nesta.org.uk/sites/default/files/a-manifesto-for-the-creative-economy-april13.pdf>
- NESTA (2012) *A Dynamic Mapping of the UK's Creative Industries*. <http://www.nesta.org.uk/publications/dynamic-mapping-uks-creative-industries>.
- NESTA (2006): Creating Growth. How can the UK creative world class creative businesses? <http://www.nesta.org.uk/publications/creating-growth>.
- Nussbaum, Martha (2011) *Creative Capabilities. The Human Development Approach*. Cambridge, Mass.: Harvard University Press
- Oakley, Kate (2004) 'Not so cool Britannia – the role of creative industries in economic development', *International Journal of Cultural Studies*, 6(1), 67-77

- O'Connor, Justin (2011) *Arts and Creative Industries – A Historical Overview; and An Australian Conversation*, Report to Australia Council for the Arts, Australian Government, Canberra,  
[http://www.australiacouncil.gov.au/\\_data/assets/pdf\\_file/0007/98431/Arts\\_and\\_creative\\_industries\\_FINAL\\_Feb\\_2011.pdf](http://www.australiacouncil.gov.au/_data/assets/pdf_file/0007/98431/Arts_and_creative_industries_FINAL_Feb_2011.pdf)
- Piketty, Thomas (2014) *Capital in the Twenty-First Century*. Cambridge, Mass.: Harvard University Press
- Rio Tinto (2014) 'Culture', <http://www.riotinto.com/ironore/culture-9614.aspx>
- Sen, Amartya (1999) *Development as freedom*. New York: Knopf
- Skillset (2009) *2009 Employment Census. The Results of the Census of the Creative Media Industries*. London: Skillset.  
[http://creativeskillset.org/assets/0000/5069/2009\\_Employment\\_Census\\_of\\_the\\_Creative\\_Media\\_Industries.pdf](http://creativeskillset.org/assets/0000/5069/2009_Employment_Census_of_the_Creative_Media_Industries.pdf)
- Shaw, Kate (2013) 'Independent creative subcultures and why they matter'. *International Journal of Cultural Policy*, 19:3, 333-352
- Throsby, David (2010) *The Economics of Cultural Policy*, Cambridge: Cambridge University Press
- Throsby, David and Anita Zednik (2010) *Do you really expect to get paid? An economic study of professional artists in Australia*, Report to the Australia Council for the Arts, Strawberry Hills, NSW,  
[http://www.australiacouncil.gov.au/\\_data/assets/pdf\\_file/0007/79108/Do\\_you\\_really\\_expect\\_to\\_get\\_paid.pdf](http://www.australiacouncil.gov.au/_data/assets/pdf_file/0007/79108/Do_you_really_expect_to_get_paid.pdf)
- UNCTAD (2008) *Creative Economy Report – The Challenge of Assessing the Creative Economy: Towards Informed Policy-Making*, Geneva: United Nations Conference on Trade and Development,  
[http://unctad.org/en/Docs/ditc20082cer\\_en.pdf](http://unctad.org/en/Docs/ditc20082cer_en.pdf)
- UNCTAD (2010) *Creative Economy Report*, Geneva: United Nations Conference on Trade and Development, [http://unctad.org/en/Docs/ditctab20103\\_en.pdf](http://unctad.org/en/Docs/ditctab20103_en.pdf)
- UNESCO (2013) *Creative Economy Report*, New York: United Nations Development Program (UNDP), <http://www.unesco.org/culture/pdf/creative-economy-report-2013.pdf>
- UNESCO 2009 Framework for Cultural Statistics,  
<http://www.uis.unesco.org/culture/Documents/framework-cultural-statistics-culture-2009-en.pdf>
- Viator (2014) 'The Official "Neighbours" Tour of Ramsay Street',  
<http://www.viator.com/tours/Melbourne/The-Official-Neighbours-Tour-of-Ramsay-Street/d384-5325BNT> (Accessed 8/6/14)

Walker BW, Porter DJ, and Marsh I. 2012 *Fixing the Hole in Australia's Heartland: How Government needs to work in remote Australia*, Desert Knowledge Australia, Alice Springs,  
<http://www.desertknowledge.com.au/Files/Fixing-the-hole-in-Australia-s-Heartland.aspx>