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- *Cultural and creative industries – Governance – Policy – Embedding – Intermediaries*

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The Cultural and Creative Industries: Organisational and Spatial Challenges to their Governance

Die Kultur- und Kreativwirtschaft: organisatorische und räumliche Herausforderungen an ihre Governance

“Whoever makes critically and unflinchingly conscious use of the means of administration and its institutions is still in a position to realize something which would be different from merely administered culture” (*Adorno* 1993: 131).

The Cultural and Creative Industries (CCI) have a distinct geography, one that is dynamic and that has until recently been poorly documented and underexplained. The aim of this paper is to briefly review the changing terrain of analyses of the CCI in order to turn an analytic focus onto the challenge of policy-making in the field of the cultural and creative industries. The structure of the paper follows four steps. First, we outline the shifting nature of governance in nation states and regions; second, we highlight the corresponding shifts occurring in the organisation of the cultural and creative industries, and the field of cultural policy; third, we consider the need to resolve governance and the cultural and creative industries. Finally, we outline some responses to this challenge.

1. Introduction

In a 1944 publication *Adorno* and *Horkheimer* famously coined the term: the culture industry. 68 years on, the hybrid field of the cultural and creative industries appears to have stabilised. The initial term, as expressed in *Adorno* and *Horkheimer*'s chapter heading ‘The culture industry: enlightenment as mass deception’ opposes mass culture (the culture industry) to

‘real’ culture, a conception that has found a consistent echo in national cultural policies the world over: until now. The culture industry (or the cultural industries, as they became re-theorised as; see for example *Miège* 1987) are perhaps best represented by, but not exhausted by, the audio-visual industries, an area that has undergone massive growth in the 20th century. In the last decade ‘Cultural and Creative Industries’ (CCI) has become a portmanteau term

that weaves together public and private; for-profit and not-for-profit; and formal and informal activities. Definitions have been disputed (see *Hesmondhalgh and Pratt 2005*), but a UNESCO (2009) framework of cultural statistics has become the definitive statement.

This transformation of the CCI has presented a number of challenges for policy-making. Cultural policy derived from the Frankfurt School doctrine was about high art and public/state support (as a public good); implicitly as a redoubt against market failure which might allow economic values to replace cultural values (see *Throsby 2001*). As such, the complex cocktail that is the contemporary CCI is a difficult one for policy-makers and politicians to manage, especially as the economic value of the CCI has both grown exacerbating tensions between cultural and economic values and has been transformed, creating new questions as to the limits, or boundaries, of culture.

The academic field of studies of the cultural and creative industries is also a relatively novel and contested one. The field exists at the intersection of debates about media and communications studies, cultural studies, social and economic development, cultural geographies, urban and regional studies and analyses of the knowledge economy, creativity and innovation. However, regardless of such contestation the empirical growth of the sector in economic terms has been increasingly the topic of documentation by the policy community (KEA European Affairs 2006, UNCTAD 2008, UNCTAD 2010), as well as academics (*Power 2002, Pratt 1997, Markusen et al. 2008*). The definitive document of global trade in cultural goods puts a significant economic value on them (UNCTAD 2010). Moreover it points to growth exceeding traditional economic sectors and notably a significant and growing contribution from the Global South. A European Commission report (KEA European Affairs 2006) offers a finer-grain analysis and highlights the significant contribution that the cultural and

creative industries make to employment in Europe; a further report (*Power and Nielsén 2010*) points to the distinct urban focus of the creative industries in the European area.

It is clear that the cultural and creative industries have a distinct geography, one that is dynamic and that has until recently been poorly documented and underexplained (see for example *Lorenzen et al. 2008, Power 2002, Scott 2000, Krätke 2006, Krätke and Taylor 2004, Picard and Karlsson 2011, Currid 2006*). The aim of this paper is to briefly review the changing terrain of analyses of the CCI in order to turn an analytic focus onto the challenge of policy-making in the field of the cultural and creative industries. The remainder of this introductory section situates the paper with respect to geographies of the cultural and creative industries moving from definitions to spaces. In the following sections we consider the core issue of the paper: policy.

2. A Brief Overview of the Field

2.1 Definitions

The precise definition of the cultural and creative industries is not a simple question: Researchers point to historical debates, conceptual debates as well as challenges of empirical measures and pragmatism (*Power 2002, Pratt 1997, Markusen et al. 2008*). It is not the place here to revisit these debates, although it is helpful to establish two points before moving on: First, there has been a lively process of what is referred to as 'mapping studies' that seek to capture economic parameters of the cultural and creative industries. As noted above, these have covered issues associated with national trade, employment, firm size and location as well as definition. Most European nation states have carried out such a mapping (as have many others worldwide), and a European-wide survey has been published by the European Commission. It

is noteworthy that North Rhine-Westphalia was a pioneer in this field carrying out a pioneering study in 1992 (see *Fesel and Söndermann* 2007), way before the UK Creative Industries mapping that popularised the trend (Department for Culture, Media and Sport 1998). There remain debates about concepts and definitions, within Europe these echo the history of public funding of culture, hence the term 'creative industries' is commonly reserved for only the for-profit activities; and this is why the German language users have pioneered usage of the term 'Culture and Creative Industries' (*Kultur- und Kreativwirtschaft*: a compound of the for-profit and the not-for-profit cultural sectors; see for example *Söndermann et al.* 2009, *KMU Forschung Austria* 2006). Despite these important local nuances there is an authoritative definition of the sector that has been adopted by UNESCO (2009); the international policy community now refers to the creative economy, which corresponds with the usage of CCI in Europe.

Second, the debates empirically and conceptually chime neatly with a major deliberation that has animated Anglo-American economic geographies in the last decade, that of the 'cultural turn'. In the 'first' cultural turn focused on cultural theory and cultural practices across the field of human geography, economic geography was little affected. However, the cultural turn presents that tension between the social/cultural and the economic as core, hence it should potentially be a key concern (*Lee and Wills* 1997, *Leyshon et al.* 2011). This is not simply a debate about the direction of causality or the relation of context to economic action. For some the tools of economic analysis have been substituted by those more familiar to sociologists and anthropologists (*Amin and Thrift* 2004). For others the focus has been on the constitutive nature of 'context' (social and physical; *Bathelt et al.* 2004, *Grabher* 2002c). On reflection, it is surprising that the CCI have attracted so little attention, as they illustrate these debates

a fortiori (*Gibson and Kong* 2005, *Reimer* 2009) – with the interweaving and contestation of cultural and economic 'value'. It is one thing to argue that economic geographers should be looking at car production as well as cultural production (*Lash and Urry* 1994, *Lash and Lury* 2007); but an even more intriguing question to look at say literary or musical production: that is the cultural production of cultural products.

2.2 Space

The spatiality of culture is obviously a geographical concern. Long intellectual histories of cultural geographies precede us (*Mitchell* 2000); however, our concern here is to focus on material cultures (an interweaving of 'ways of life' and material products that sustain and enable those ways of life focused on cultural expression). Specifically, in the context of the rise of the cultural and creative industries, the focus is on the social, cultural and economic distribution of cultural production (and consumption). Geographers have been less concerned than scholars of media and communications with the internationalisation of cultural production and the possible challenges to cultural difference (*Miller et al.* 2005, *Herman and McChesney* 1997, *Flew* 2007): an analogue of the tensions between the local and the global, but far more controversial as it is cultural difference (and hence individual, regional and national identities) that is often under threat (see for example *Nederveen Pieterse* 1995, *Robertson* 1995).

Geographers have played a leading role in the examination of the localisation of the cultural and creative industries, notably with respect to the clustering and urbanisation of these activities (*Lorenzen et al.* 2008, *Picard and Karlsson* 2011, *Hutton* 2008, *Daniels et al.* 2012, *Cooke and Lazzeretti* 2008, *Scott* 2000). It is debatable whether these geographies of the cultural industries are epistemic responses to a

'cultural turn'; many are more or less normative approaches that have as their object the CCI. However, these studies have made a significant impact, spurning a lively academic debate, perhaps more significantly they have contributed to a storm of policy discussion generated by *Florida's* (2002) work on the creative class.

2.3. Policy

It is to the policy debate that we want to turn to finally and about which the bulk of this paper is concerned. Two bodies of work are worthy of mentioning here: first, those associated with local clustering and agglomeration with respect to cultural production (*Scott* 2000, *Krätke* 2003, *Krätke* 2006, *Krätke and Taylor* 2004, *Bathelt* 2005, *Bathelt et al.* 2004, *Hutton* 2006, *Grabher* 2002c, *Picard and Karlsson* 2011), second, those that highlight the role of cultural consumption as an attractor to mobile labour, and thus to the mobile investment in high-tech activities (which requires that scarce labour is itself attracted to creative places; *Crewe and Beaverstock* 1998, *Glaeser* 2011, *Pine II* and *Gilmore* 1999, *Florida* 2004). In what has been the most successful and visible export of ideas from economic geography to the business and policy community, the notion of creative cities is prominent. Once again, this is a concept that sits at the epicentre of a fierce academic debate that is discussed elsewhere (*Peck* 2005, *Pratt* 2008a). If we add a third issue, the empirical trends of the creative industries as economic agents, which have impressive growth rates and in many cases have bucked the recession (*Pratt* 2009b), it is clear that the field of cultural and creative industries policy has earned its moment of policy speculation by cities, regions and nations of the world.

The core question that we need to ask here concerns specificity. Is cultural and creative industries policy different to cultural policy? Is CCI policy the same as industrial policy? We will

argue that the answer is 'no' on both counts, and so a rethinking of the possibilities of what a CCI policy might be is a valid exercise, one which we will progress in this paper. The structure of the paper follows four steps. First, we outline the shifting nature of governance in nation states and regions; second, we highlight the corresponding shifts occurring in the organisation of the cultural and creative industries and the field of cultural policy; third, we consider the need to resolve governance and the cultural and creative industries. Finally, we outline some responses to this challenge.

3. The Shifting Analytical Field of the CCI

As the CCI have developed, governments have struggled to manage them. The first problem is how to resolve the tensions between the for-profit and not-for-profit aspects; a point that hits at the core of definition and concepts. This is manifest in the location of expertise in government, in the culture department or the business department. Some countries have renamed their culture department to embrace the new challenges. A name change is one thing, changing practices is another. The problem of the identification, or isolation, of policy objects and policy objectives is a core challenge for any field. In more stable areas, or those with a normative status, this tends to be less problematic. However, culture is difficult for three reasons: There is constant contestation of 'taste' and essential quality or aim of art and culture, and second, there are multiple objectives; third, the rate of change is both unpredictable and rapid. The particular case of policy in the CCI is difficult. It has an uneasy relationship with cultural policy. The latter has been framed by a fundamentally neo-classical economic assumption of market failure which contends that for idealist reasons culture should be funded, as the market will not. Thus, the arrival of the CCI has introduced a clear contradiction in the field of culture: cultural production that makes a profit.

Slowly cultural policy has changed to admit such tensions; these have been manifest in the relaxing of the 'purity' of state policy where issues such as sponsorship and for-profit activities have been blended with more traditional conceptions of 'art for art's sake'. In the traditional formulation of idealism cultural policy carries a burden of representation, identity and social cohesion: not easy to evaluate or focus. Added to this soup of objectives has been the increasing instrumentalisation of culture in relation to urban regeneration: Here a range of objectives social, economic and political is brought into play. Overall such diverse demands have undermined cultural policy via dilution and multiplication of its objectives, further weakening its utility as a model for the CCI.

Arguably a third strand has been a stronger economic line of debate, viewing the CCI qua industries; promoting the policy agenda of regulation and governance to achieve economic objectives. These three themes might be considered analogous to strands of a woven rope; they are not easily separable. Thus, the field of cultural policy is overloaded with expectation and policy objectives; at the same time evaluation tends to avoid a holism, and hence mutually contradictory aims are pursued and evaluated separately. Arguably the 'failure' of culture as a policy object is that too much is asked of it. That would be bad enough if we were certain of the causal relationships between policy, action and outcome; however, this is something which – in the case of the CCI – we have only fragmentary knowledge of. Even if these problems could be resolved we would still be presented with the boundary problem, i.e. with the fact that the field is constantly crosscut with intrusions and leakages (formal/informal, public/private, commercial/non-commercial) that make evaluation or measurement extremely problematic.

In some senses, recent shifts in the modality of governance in many nation states toward 'evi-

dence-based policy-making' has led to government audit and management through output measures and targets (*Young et al. 2002*). The application of 'New Public Sector Management' techniques required output and performance measures to justify resource allocation and the continuation of funding (*Hood 1995*). These measures tend to be normative, as many critics have pointed out (*Power 1997*); however, additionally, we might note that such management techniques can be particularly corrosive in the field of culture in all its forms as they tend to be described in both fragmentary and superficial terms; moreover, these measures tend to be quantitative in style: focusing on quantities not qualities.

Historically, the strategy of 'playing the numbers game' has achieved much for the sector. Creative industries mapping has gained access to the political resource allocation process in many nation states. These were industries that were in effect invisible to policy-makers previously. However, these same tools do not deliver a programme of governance or a means of governing. We will argue that there is much need for policy-making in this field and information and evidence play significant parts. However, for policy to be effective first we have to attend to the organisation of the CCI.

4. The Object of Policy and Governance: the CCI and their Organisation

A challenging characteristic of the CCI is their unusual organisational forms; moreover, that they are rapidly changing and evolving (for a classic statement see *Caves 2000*). Whilst technology clearly plays a role in such transformations, it is not a determining factor, but it is clear that it is one amongst many in the process of change: organisation and institutional forms, convergence within and without the CCI, swiftly changing and evolving markets, the very short 'life cycle' of products, the risk of product failure, and the

emotional and cultural investment that is out-with the economic calculation. When taken together these processes create the supercharged fuel that drives the CCI, those that work within them, and those that consume their products. Collectively these factors serve to create a troubling 'object' that policy-makers seek to understand and devise policies to govern them.

It is for the above reasons that normative policy-making and associated policy processes may be less than effective. Moreover, not only are the CCI different, but they are unusual and fast changing: not a helpful combination for policy-makers or policy evaluators. It is instructive to review in more detail the parameters of the CCI organisational form. First, we can point to their organisational ecology. Whilst the CCI do vary significantly one from one another in this respect, they, in contradistinction to 'normal' industries, tend to what is an unusual characteristic that is the 'missing middle': Organisations are either very large multinationals or micro-enterprises; organisations that may also act in the not-for-profit field or as social enterprises. At the extreme end of the continuum are multi-nationals, at the other end companies working on their own account as freelancers. This category of employment, which is characteristic of the cultural sector, is unusual in that the person is not in a standard employment relation (Gill and Pratt 2008): For example, a musician or author who 'signs up' to a publisher receives income on the basis of the share of the intellectual property rights and copyright earnings. Consequentially the CCI are reliant on a shifting network of intermediaries to link the large and small. The nature of the intermediation is dominated by knowledge brokerage (finding buyers and sellers); in this case, however, the discriminator is not price but quality; and this knowledge of qualities tends to be socially and spatially embedded (O'Connor et al. 2000, O'Connor 1998).

Second, there is the fact that work in the CCI tends to be organised on the basis of projects. Projects

can last as little as a few weeks or as much as a year or two. Teams are made up to work on projects, either drawn from within an organisation, or more commonly from freelancers (Grabher 2002a, Grabher 2002c, Pratt 2006). This leads to the apparent fragility of the CCI and to the observation that firm births and deaths are regular, normally a negative sign. However, one may as easily, within the context of the CCI, see this as a positive indicator of a fast-changing and agile cultural industries ecosystem. It does mean that 'the firm' is less likely to be an anchor for activity or policy. The foundation is more likely to be a network of skilled labour and resources instead.

Third, there is the diversity of organisational forms and markets within the CCI. In part this is related to the range of product investment required for a product and to the question of what resource is required. A photograph can be taken more easily than a film can be made, which is different again to writing and publishing a book, releasing a piece of popular music or making a TV programme or a video game. The absolute level of investment and the degree of risk involved may be huge (Epstein 2005, De Vany 2004). The result tends to what has been termed the 'winner takes all' character of markets and institutions (Caves 2000, Frank and Cook 1996). Most cultural producers are organised one way or another to produce a portfolio of products: all equally expensive and required to be of the highest standard, but success will only be visited upon some. The ratio in the film industry is about 1 in 10; however, which of the 10 is the successful one is unpredictable. It is not simply a 'law of averages', rather excellence is required to 'enter the race'; the outcome of the race is unpredictable. The desire to shape markets and consumption through information or market domination, or control, is great, but not absolute.

Fourth, there is the complex overflowing of activities between the formal and the informal, the for-profit and the not-for profit, the state and commercial activities, and between production and con-

sumption. Mutual cross-subsidy takes place not just in time, but also over career lengths of time. In fact, it could be argued that the complex web of interdependencies is one of the core characteristics of the CCI. Private individuals are often prepared to invest wildly irrationally in activities in the hope of fame and fortune; there is no rational calculus to capture or explain this; however, it is part of the hidden resource of CCI that on the whole workers are prepared to over-commit their resources to make things work (McRobbie 2002a, McRobbie 1998).

This amalgam of characteristics makes policy development problematic. First, solely market-based incentives are unlikely to be successful; nor are exclusively public and cultural incentives; a hybrid is required. Second, the institutions that might normally be the locus of policy – i.e. firms – are not stable and not represented by the normative form of the firm. Much of the potential resource lies in-between firms in networks that are latent. Third, the levels of risk are huge. Public bodies find it difficult to ‘support failure’ (a few winners many require losers; so this is an insoluble problem which usually means public bodies avoid the issue altogether to deflect sanction for ‘wasting public money’). The strategic weakness and the place where intervention is most likely to have the greatest effect is where institutional capacity is absent or very weak; hence the public sector cannot intervene without becoming players themselves. For this, the entry costs for the public sector are very high and are closely associated with highly specific knowledge, trust and experience.

In short, the ‘object of policy’ – the CCI – are not stable or ‘normal’; their character and rate of change is outwith that easily tractable to public policy-making. The networks of CCI overflow the strictly cultural sphere and hence make public bodies very wary of committing resources to them as they risk losing control. These are also problems for the private sector seeking to govern the field. Even the most experienced and well-

resourced organisations, such as those in film, music and television, have in recent years struggled to maintain control, usually resorting to naïve and crude exercises of corporate power to resolve complex problems as in the case of downloading (see Lessig 2004). This does not bode well for the policy-makers. Deep knowledge, trust and reputation and the ‘right’ information are what matter and they are costly to acquire, and public bodies seldom have access to this sort of expertise.

In this section we have sketched out a complex ecosystem of the production of cultural products and suggested that this would make policy-making or indeed governance a difficult job: difficult because the object is not clearly defined (as a result of both a lack of research and the fact that it is a hybrid object) and difficult because culture is a lightning conductor for policy objectives; literally too much is expected, and mutually contradictory results are commonly set on an agenda. Finally, little attention is paid to the development of the CCI for their own right: By this we do not mean ‘art for art’s sake’ or the idea that there is some independent ‘pure’ aim of the CCI, rather the space for a non-instrumental approach, let alone a critical non-instrumental approach that is not dominated by market needs. Accordingly, we have argued that CCI policy-making is a field, not an object, and as such it is intrinsically about intersections and overlaps, rather than ‘purity’. Any attempt to exert control by any agent over this process must necessarily be one that is about shaping and co-evolution. This is far from the normative position of policy-making and implementation where, aside from anything else, the object is normally safely assumed, as is its relationship with its ‘context’. As we have seen, such assumptions are radically destabilised in the field of culture.

5. Governance, not Policy

Thus far we have argued that the rapidly developing field of the CCI has run ahead of academic

analyses and policy formulation. The popularity, political impact and technical maturation of creative industries mapping instruments has made the knowledge gap with regard to process apparent. The output indicators have pointed to growth, absolute and relative (to other parts of the economy), and to the particular geographies of the CCI. However, it is the processes that give insight into impacts and consequences and provide the knowledge base for the creation of policy to shape such outcomes.

The foregoing discussion has alerted us to the fact that the organisational novelty of the CCI poses challenges for academic analyses. However, we can take a further step and note that it is an equal challenge for policy institutions as well. Policy institutions, or empirically speaking departments of government, have discrete fields of responsibilities. These are brought into tension by the form of the CCI. First, the traditional field of cultural policy has been stretched and hybridised in relation to CCI debates. On the one hand the inclination is to treat cultural policy as solely public and not-for-profit activities which support a particular form of high culture. This is more or less the traditional position. Confronted with the CCI the reaction has been, in many European states, to place the field of CCI as separate from cultural policy and often in a department of economic affairs. On the other hand, there is the strategy of accepting the public and private nature of the CCI and its interdependency with cultural policy. Nation states such as Canada, Australia and the UK have taken this route and created new or renamed government departments to reflect such new responsibilities (e.g., in the UK's case it renamed the Department of National Heritage as the Department for Culture, Media and Sport).

Second, the policies that have sought to address the CCI, within whichever departmental structure, run up against another category of problem: the generic/specific. There is a strong normative eco-

nomie logic that all economies are the same and respond to laws of supply and demand; academic and policy communities are resistant to exceptionalism: making a specific case or policy for a particular activity. However, this is what the academic analyses strongly suggest (see above).

There has been a debate in sociology and politics about longer-term shifts in social and economic organisation and the relative roles of state, economy and civil society. Here, on the one hand, the debate concerns temporality in relation to particular states and in the emergence of particular forms of neo-liberal state; on the other hand, the mode and manner of governing – such as the co-ordination of (differing) institutional orders within the state, each with its complex logics (see *Jessop 1998, Brenner 2004*). A very suggestive line of argumentation has highlighted the role of the embedding of economic activities within institutions and networks (either the particularity of a regional or nation state; or of a particular industry; *Hall and Taylor 1996, Hall and Soskice 2001*).

We can find echoes of this within some debates in the field of cultural studies; here the focus has been on the technics of the policy processes, as *Bennett (1992: 406)* notes, focusing on actions that seek to modify “the functioning of culture by means of technical adjustments to its governmental deployment”. And elsewhere, *Bennett (2006: 101)*, suggests that “[i]t is, moreover, through the role which these forms of technical expertise play that cultural resources are adapted to new purposes and, in the process, made infinitely pliable as they are bent to first one governmental project and then another”.

One of the characteristics of recent state restructuring in many economies has been a divestment of the state of responsibilities for policy and objectives. It has taken the form of a withdrawal of direct supply or ownership and a shift to regulation; or the ways that production, con-

sumption or distribution may be structured by various taxation incentives. In many advanced economies recent changes have been characterised by the shifting of responsibility of provision of many previously 'state' services to private contractors whilst also creating a regulatory framework (which often is permissive). Likewise some activities that did not exist previously, or were outwith the system, have been brought inside it. Specifically, there are shifts between the informal and civil society sectors and those of state and the economy. The point of this paper is to suggest that the analytic lens should not be defined by institutions (new or pre-existing) but by processes that may flow across their boundaries (and eventually reconstitute the institutions and networks and their relationships).

It is the policy-making apparatus that simultaneously constitutes object and means. We have already discussed the slippage of the (definition or identification of the object) CCI. However, the institutional structure of most government policy making has in effect rendered the CCI invisible or incomplete, falling between the normative taxonomies of government institutions. This is the oft-discussed problem of a 'silo mentality' where not only is policy only discussed in narrow terms, but it is isolated from other 'silos' of government and research. The result is that the CCI are misidentified, partially apprehended and governed via partial representation. Accordingly, the problem of what we might term 'cultural governance' is not simply one of the intractability of the object (the CCI), but also the impossibility of a putative object to match the actually existing governance structure and practice (as we have noted one 'solution' has been to represent the CCI either as industry or as culture; even then, as we have seen, its 'difference' may render it problematic at best or a failure before it begins). It has already been noted that previous definitions of the CCI only partially captured the reality; moreover, that new government departments have been reconfigured to reflect this fast changing object of governance. So

the means by which governance takes place emerges as a relevant and important field of analysis for the CCI. It is to this question that we turn next.

6. The Art and Craft of Governance

It will be clear from our argument so far that traditional policy responses such as provision of hard infrastructure, co-location, regulation, taxation or subsidies are focused either on (arbitrary) outputs or normative targets. In this sense policy is in danger of having little relevance for the CCI, in the sense that when policy 'works' it is only through an indirect process. This leads some authors to argue for the need to govern at the interstices of social action; that is, to intervene in the soft infrastructure and social-cultural-economic setting. Second, it has highlighted the role of the social processes of economic embedding – geography – in such processes. Finally, it has led to the discussion of the agency of management or governance of such processes. We take each in turn.

6.1 Strategic/institutional

A debate about analogous issues to those that we have outlined with respect to the CCI can be found in the discussion of 'alternative' industrial policies. For example, *Hirst* (1994) suggests an alternative 'associative democracy' as a response to both market and state governance failures. Similar ideas underpin models of economic governance outlined in *Best's* (1990) work and have been particularly influential in debates about innovation (*Lester and Piore* 2004, see *Hippel* 2005). At the core of these critical discussions is the failure, or perhaps the impossibility, of managing the object in question with existing institutions. In parallel, debates about the changing nature of the firm, a basic object of policy, have echoed these conclusions (*Sabel* 1991). More specifically a number of authors have pointed to the fact that such forms – the network or the tem-

porary firm – are the norm, not the exception in the CCI (McRobbie 2002b, Grabher 2001, Grabher 2002b, Grabher 2002c, Jeffcutt and Pratt 2002, Pratt 2008b, Pratt 2006, Blair and Rainnie 2000, Guile 2007).

Various forms of governance have their particular strengths and weaknesses; moreover, they cannot be detached from their context. Moreover, there are no ideal or fixed forms of innovation and creativity; they are all temporary fixes situated in space and time (Pratt 2008b). Being aware of the situated and temporal specificity of action helps us to reflect upon the local strengths and weaknesses of production systems. Thus forearmed, it might be possible to construct ‘surgical strikes’ at key elements of a CCI production system (sometimes referred to as ‘smart policy’). This is likely to be more efficient and effective than, for example, crude ‘market steering’ represented by subsidy; or blanket infrastructure or training policies that are common policy responses. Moreover, it should caution again the notion of blindly copying ‘best practice’ (Pratt 2009c). We might consider, for example, how strategic market knowledge is being gathered and used in the fashion industry and utilised locally (see for example the discussion of ‘real services’ in Mazzonis 1989, Bianchi and Giordani 1993). In a micro-enterprise environment some collective provision of future, or non-local, market information could provide huge strategic advantage.

Bringing these two debates together, the changing nature of the creative enterprise and the changing nature of governance, we argue that there is a third dimension that articulates this new formation: information. We have already discussed how normative information collection is improving in the field of the CCI. However, the challenge is to develop both an understanding of the actually existing dynamics of, as well as the way in which particular localities are implicated within, cultural production. Part and parcel of this is collecting

information based upon other representations of the CCI: a practice that specifically focuses on processes and not simply on outputs.

6.2 *Social embedding of the economic: buzz*

There has been much discussion, particularly in debates about spatial clustering of the CCI, about the character and nature of information exchange: A common term used to describe this is ‘buzz’ (Storper and Venables 2004, Bathelt et al. 2004, Asheim et al. 2007). The use of ‘buzz’ suggests that it is something amorphous or simply contextual (something more useful than noise, but somehow ‘background’). We argue that it should be viewed as the process of real exchange of non-codified, time- and context-sensitive information. Moreover, being part of such networks one learns how to discriminate between information based upon relative knowledges; thus knowledge is not important on its own, but in the context of other knowledges. Informal patterns of exchange, outside the firm, rely upon informal institutions and networks and, as noted above, intermediaries: Here we can reference the literature on ‘communities of practice’ that has informed debates on innovation, technology and other sites of non-normative economic structures and their overflow into the non-economic sphere (see Wenger 1998).

This opens up a field that we might term the ‘curating of information’. We use the term ‘curating’ with a direct reference to museums: in that they not only act as storage houses, but also places of display, re-articulation and re-presentation of knowledge. It is this function that we have in mind for this prospective institutional space. It opens up the possibility of a new space of governance: to begin to assess local strengths and weaknesses, and to match those with local aspirations and resources for these industries. In practice it is more than the simple presence or absence of the

resources in a creative ecosystem; it is as much about how they are made available and under what terms and where they are located, physically and organisationally, as well as their location within networks and institutions.

6.3 Intermediation and brokers

We can argue that the challenge for any actor who wishes to influence the strategic management of a network (or institution, as an instantiation of a network) is as much a craft as a technique of control. Equally and co-important is the knowledge that 'flows' – and the nodality and structure of a network. Thus we would take seriously the notion of intermediaries in networks. We would want to stretch the notion further such that it becomes a broker. Such relationships are a point of translation; brokers articulate one network and set on contacts, they are also understandings that constitute both networks, which, via the brokering, transform both. Thus we see the intermediary as active and constitutive.

In traditional policy-making such brokerage is manifest in the formal knowledge and supply and demand: Intermediaries are simply broken links, it is the role of policy to repair them. These are real people who need to come into being. Generally, they are not to be found in public institutions and bodies, in part due to the current recruitment, training and career patterns common there. They will need skills and training, management expertise and detailed knowledge of capital goods purchasing decisions, business services etc. In order for intervention to help facilitate the development of strategic knowledge, it has to establish agencies that are capable of this what we have termed 'intelligent agencies' previously (*Jeffcutt and Pratt 2002, Pratt 2009a*) – not that other agencies are 'unintelligent', more that it is important to stress that these are 'learning agencies'. Moreover, they need to develop credibility with the CCI and those that work in and across them if they are

to be listened to and to be interacted with. Each of the CCI has different key knowledge requirements, necessitating the need for specialist agencies. Accordingly, generic solutions are ineffective as each industry has to be at the cutting edge requiring particular solutions to particular barriers/challenges – and these change rapidly.

Through the development and implementation of these ideas it may be possible to construct a new form of governance of the creative industries. Such a form of governance would have a revised 'constituency': one that is open to internal organisational dynamics, production processes, regulatory forms and economic development agendas; within such a mode of thinking there is a further possibility of extending such a 'franchise' to social and cultural policy, too. Of course, there is no pre-ordained structural location for such agencies. They could be a third sector, civil society, industry or state body. Openness would be a characteristic.

7. Conclusion

This paper has registered the growth in importance of the CCI in terms of their economic, social, cultural and geographical dimensions. However, we have also noted that the CCI do not fit easily within the existing institutions of government and policy-making, or of the academic disciplinary world. The development of cultural mapping has delivered a number of conceptual refinements and empirical findings that have underlined the fact that the CCI do play a significant role in societies, one that is rapidly changing. Policy-making responses to these challenges have focused thus far on output mapping, far less attention has been paid to process. Geographers have made a significant contribution to this field, notably with respect to clustering and embedding of CCI.

This paper is a reflection on the elusiveness of the 'object' and how that (in-)visibility may render it governable or not. The Cultural and Cre-

ative Industries are a new 'object' and much work has gone into making them visible (mapping, data collection, academic analyses, conceptualisation). These processes create a (new) representation of the CCI; it is this representation that is the object of policy discourse. Clearly, there is a possibility that representation and the 'reality' of the CCI may not be aligned. Moreover, there is another level of complexity: In this case representations of policy objects are shaped by policy norms. If policy objects do not correspond to the norm (as imagined by policy mechanisms) they are rendered invisible and ungovernable. This is the difficulty that faces researchers and those who would seek to govern the CCI. Put rather more simply: The challenge is to create a system of governance that 'recognises' the object of the CCI in its own terms, rather than projecting it as a generic of other policy fields.

In this paper we have discussed how the CCI are different to both cultural policy and industrial policy and, accordingly, how this presents a challenge to the establishment of a new policy field. This paper has sought to elaborate this debate in the context of geography. We have stressed the need to consider governance as an institutional modality that relates more closely to the form of the CCI; moreover, that management has to be carried out by process, not through outputs. We argued that the governance of such systems might be more readily achieved in the interstitial space of networks and in the making of networks. These processes will involve more than simply the insertion of a 'linkage' but will have the potential to re-articulate and transform both the production systems of the CCI and the governance structures.

Our paper has also pointed to a range of complex organisation forms that underlie the simple output growth of the CCI. There is debate within both academe and policy circles as to how 'normal' or 'exceptional' the CCI are. As we have noted geographers and other social scientists have highlighted the spatial, social and economic em-

bedding of the CCI and the complex processes of innovation and knowledge exchange that is entailed. For some, this makes them exceptional, and thus in need of new means of governance. This has led some to point to a need to reconsider the potential effectiveness of traditional policy-making (particularly that based on output management) and suggested that attention to process management, exploring the technologies and techniques of governance, might be a useful way to progress the debate. Certainly, this challenge of managing across the boundaries of the public/private, the for-profit/not-for-profit, the formal/informal is a live issue. This paper finally offered some examples of how particular forms of intermediaries and intermediation might offer a suitable site for intervention. Moreover, these forms might be a productive site for further research investigation.

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Summary: The Cultural and Creative Industries: Organisational and Spatial Challenges to their Governance

This paper registers the growth in importance of the Cultural and Creative Industries (CCI) in terms of their economic, social, cultural and geographical dimensions. However, it also notes that the CCI do not fit easily within the existing institutions of government and policy-making, or of the academic disciplinary world. The development of cultural mapping has delivered a number of conceptual refinements and empirical findings that have underlined the fact that the CCI do play a significant role in societies,

one that is changing rapidly. Policy-making responses to these challenges have focused thus far on output mapping, far less attention has been paid to process. Geographers have made a significant contribution to this field, notably with respect to clustering and embedding of CCI. We discuss how the policy towards CCI is different to both cultural policy and industrial policy and, accordingly, how this presents a challenge to the establishment of a new policy field. This paper seeks to elaborate this debate in the context of geography. We stress the need to consider governance as an institutional modality that relates more closely to the form of the CCI. Moreover, management has to be carried out by process, not through outputs. We argue that the governance of such systems might be more readily achieved in the interstitial space of networks and in the making of networks. These processes will involve more than simply the insertion of a 'linkage' but will have the potential to re-articulate and transform both the production systems of the CCI and the governance structures. Our paper also points to a range of complex organisation forms that underlie the simple output growth of the CCI. This has led some to point to a need to reconsider the potential effectiveness of traditional policy-making (particularly that based on output management) and suggested that attention to process management, exploring the technologies and techniques of governance, might be a useful way to progress the debate. Certainly, the challenge of managing across the boundaries of the public/private, the for-profit/not-for-profit, the formal/informal is a live issue. This paper finally offers some examples of how particular forms of intermediaries and intermediation might present a suitable site for intervention; moreover, that these forms might be a productive site for further research investigation.

Zusammenfassung. Die Kultur- und Kreativwirtschaft: organisatorische und räumliche Herausforderungen an ihre Governance

In diesem Beitrag wird die wachsende Bedeutung der Kultur- und Kreativwirtschaft (KK) in wirtschaftlicher, sozialer, kultureller und geographischer Hinsicht erfasst. Es wird jedoch auch festgehalten, dass die KK sich nicht problemlos in die

bestehenden Institutionen der Verwaltung, der Politik und der Wissenschaft einfügt. Die Fortschritte bei der Erfassung kultureller Einrichtungen und Bestände lieferten eine Reihe konzeptioneller Differenzierungen und empirischer Befunde, die bestätigen, dass die KK eine signifikante Rolle in der Gesellschaft spielt – eine Rolle, die sich außerdem rapide wandelt. Die Antworten, mit denen die Politik auf diese Herausforderungen reagierte, richteten sich bisher vor allem auf die Betrachtung der erstellten Produkte, während dem Erstellungsprozess weit weniger Aufmerksamkeit gewidmet wurde. Geographen haben dazu einen wichtigen Beitrag geleistet, vor allem zu Themen der Clusterbildung und der räumlichen Integration der KK. Wir erörtern, wie sich die Politik hinsichtlich der KK von der Kulturpolitik und der Industriepolitik unterscheidet, was die Etablierung eines neuen Politikfeldes erfordert. Dieser Beitrag strebt eine geographische Betrachtung dieser Debatte an. Wir betonen die Notwendigkeit, Governance als das Handeln von Institutionen zu betrachten, das eher den Bedingungen der KK entspricht. Des Weiteren unterstreichen wir, dass sich das Management der KK auf die Erstellungsprozesse richten muss und nicht auf den Output. Wir meinen, dass die Governance eines solchen Systems vor allem im Aufbau und in den Zwischenräumen von Netzwerken erreicht wird. Diese Prozesse beinhalten mehr als nur das Erzeugen von „Linkages“, sie besitzen zusätzlich das Potential, sowohl das Produktionssystem der KK als auch die Governance-Strukturen neu zu formieren und zu verändern. Unser Beitrag weist auch auf eine Reihe komplexer Organisationsformen hin, die dem Wachstum an Output der KK zu Grunde liegen. Dies hat dazu geführt, dass einige Kommentatoren auf die Notwendigkeit hingewiesen haben, die potentielle Effektivität der traditionellen (insbesondere der auf Output-Management ausgerichteten) Politik zu überdenken, und vorgeschlagen haben, dass die Beachtung des Prozessmanagements und das Erforschen der Technologien und Techniken der Governance ein nützlicher Weg sein könnten, um in der Debatte voranzukommen. Zweifellos ist das Management, das Grenzen zwischen öffentlich und privat, zwischen gewinnorientiert und gemeinnützig, zwischen formell und informell überschreitet, ein brandaktuelles Thema. Dieser Beitrag führt schließlich einige Beispiele auf,

wiespezielle Formen von Mittlern und von Vermittlung geeignete Instrumente zur Intervention bilden können und wie darüber hinaus diese Formen ein fruchtbares Feld für weitere Forschung sein können.

Résumé: Les industries culturelles et créatives: défis organisationnels et spatiaux à leur gouvernance

Cet article inscrit l'importance accrue des Industries Culturelles et Créatives (ICC) en termes de leurs dimensions économiques, sociales, culturelles et géographiques. Cependant, il indique également que les ICC ne s'intègrent facilement ni dans les institutions gouvernementales existantes ni dans le monde universitaire organisé en disciplines. Le développement de cartographies culturelles a offert un certain nombre d'affinages conceptuels et d'aboutissements empiriques qui soulignent le fait que les ICC jouent en effet un rôle considérable dans les sociétés, rôle qui change rapidement. Jusque-là, les prises de décisions politiques en réponse à ces défis ont favorisé des produits cartographiques, avec beaucoup moins d'attention portée aux processus. Les géographes ont apporté une contribution significative à ce domaine, notamment en ce qui a trait à l'agglomération et à l'ancrage des ICC. Nous discutons ici la manière dont les ICC diffèrent tant des politiques culturelles que des politiques industrielles, et de ce fait, représentent un défi à l'élaboration d'un nouveau champ de prise de décision politique. Cet article cherche à élaborer ce débat dans le contexte de la géographie. Nous insistons sur la nécessité de considérer la gouvernance comme une modalité institutionnelle qui se rapproche au plus près de la forme des ICC. De plus, cette gestion doit être portée par des processus, et non à travers de produits. Nous soutenons que la gouvernance de tels systèmes peut être plus facilement rejointe dans l'espace interstitiel des réseaux ainsi que dans la création de réseaux. Ces processus impliquent plus que la simple insertion d'un 'lien', mais auront le potentiel de réarticuler et de transformer tant les systèmes de production des ICC que des structures de gouvernance. Notre article contient également des repères relatifs à une gamme de formes d'organisation complexes qui sous-tend la simple croissance en produits des ICC. Ceci a conduit certains à relever la nécessité de reconsidérer l'efficacité potentielle

des prises de décision politiques traditionnelles (particulièrement celles basées sur la gestion de produits), et suggéré qu'une attention à la gestion de processus, explorant les technologies et les techniques de gouvernance, pourrait être une voie utile pour faire progresser le débat. Certes, ce défi de gérer à travers les frontières du public-privé, d'à but lucratif/non lucratif, du formel/informel demeure une question d'actualité. Cet article, enfin, offre des exemples sur la manière dont des formes particulières d'intermédiaires et d'intermédiation peuvent représenter un lieu adapté d'intervention; de plus, ces formes

pourraient constituer des lieux efficaces pour de futures enquêtes de recherche.

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