

DR PRATT: Okay, thanks. Thanks very much for inviting me. What I want to do, very briefly, in this presentation is to talk to this topic, obviously, about issues of definition -- but how these relate to issues about policy. Because, it is that linkage, between starting to understand these industries and developing policy that I think is a crucial step.

So, basically I want to say a little bit about this concept of the creative industries, why the measurement itself is so difficult; and I think if we are going to use this information we need to understand where it came from; and, thirdly, about understanding the dynamics in more detail.

First, I want to start off with a couple of points about the creative industries themselves, where do they come from? What is it that changed?

Clearly, they are a growth industry and they are driven by a number of different factors, and I think we just need to remember some of these. This has been referred to already, issues such as the growth in consumption and, particularly, culture as a target of discretionary spending -- growth in disposable income. Issues, also, about people having more time. I think this is a contested issue because whether people have more time for leisure -- or it is also argued by some that people have less time and, therefore, they really focus their cultural and creative consumption using technologies to time-shift, to focus on them in a very intensive way.

So more or less time -- there are issues about that. Clearly issues of technology and digitisation are important drivers in terms of stimulating and interlinking with new forms of content creation; and, as we have already heard today, many of the issues about the changing organisation of the production of these industries. It has been particularly innovative and, also, is particularly difficult to understand, I guess, because these are new industries that are leading to a whole range of new organisational forms. I think it has already been mentioned, these present problems for us in terms of actually making policy. They present, if you like, a break from the past in terms of the ways we thought about policy making.

Clearly, one of the things about the creative industries in terms of what has changed, is that they are a new player on the stage. Their rate of growth has been particularly significant, and they have increased the absolute share of employment and things such as export earnings as well. So, it is not surprising to see why they are a new actor on the stage. However, the issue is, how do we direct them? How do we

actually create a performance out of them?

I think -- what we have to think about is why -- and investigate why actually we are interested in the creative industries. Clearly, there is a legitimate academic interest, as there is anywhere in the social world, to actually explore and understand them.

However, there are a whole set of rather pragmatic policy issues that we need to address and I think -- we can think about this later but -- the key issue here is about exactly what sort of policy are you trying to achieve? It has been already mentioned earlier today, one of the rather attractive issues about the cultural and creative sector is that they can appeal to a wide audience. They will achieve many different things. However, as policy makers will tell you, you need very clear objectives for policies if they are going to be evaluated and if they are going to be effective.

So, I just remind you that the cultural sector has been brought to bare on a whole range of different issues -- and just to list them here -- such as cultural tourism; city marketing; culture for its own sake, the more traditional version; culture as economic development, as we have been hearing this morning; and also culture as a tool of urban and regional regeneration -- and one can continue that list as well.

So there is a real problem here, that culture is being seen almost as if it is the sticking plaster that is going to save everybody's problems. Now, of course, it can do some of those things, but it can usually only do one or two of them at any particular time. So, we have to be very clear about what we are doing. And, therefore, in terms of actually collecting information about it, if we want to create good policies we need a sound evidential base, then, we need to be very careful in choosing which measures. Which are the appropriate measures and, actually, which policies do they relate to?

So there is a set of issues that we need to consider there to actually maintain our focus. We have already had some mention already about this issue of definition. I do not think one needs to get hung up on the minutia of discussions here, and I think actually, one can refer to the creative industries almost as a branding. It is a branding of a particular area of activity -- that for most purposes one need not be concerned about whether they are called creative industries or cultural industries. They are identifying an area of activity.

Now, one of the issues that I think has come up, is exactly where you draw the boundaries here. In the mapping document that has been produced here, you have a whole range of activities just as we have had in the UK as well. There is always some dispute about what should be included and what should not be included. However, I think this misses a key point, which I think has been taken up in the mapping document here -- is that there are two perspectives on culture. Culture as simply an output, but culture as a process.

It is this issue of culture as process that I think it is important to attend to, and I think this is why the mapping document here has taken time to not just include the range of cultural activities, but, actually look at the processes, the production of culture.

This is what we have referred to as the production system, or, I think probably a more evocative term is the production web, or an eco system. Because, just in the same way with the biological analogy, cultural industries feed off one another, they find an intimate relationship with one another and it is often the synergies and the interrelationships that are as important as many of the other elements.

So it is important to know actually what you are looking at. It is not simply looking at, if you like, the analogy with a theatre performance. You are not simply concerned with what is on stage, you have to be concerned with what goes on behind the stage as well; the lighting technicians, the sound technicians, the front of house people as well the facility itself. Without those the performance will not happen So you need the front and back stage, you need to understand the interrelationship of the whole.

So that is why having an appropriate starting point is the important thing, and having information on all those elements is an important thing.

So I am glad to see the mapping document that has been produced in Hong Kong and increasingly new mapping documents that are being produced elsewhere are taking on this broader perspective. Because, I think, it is this sound basis that helps one develop an understanding, and then hopefully develop better policies.

In the past, we have often used indirect measures for looking at culture. The knock-on effects of culture; the beneficial effects, for example, of the number of people staying in hotels, visiting art exhibitions, for example -- measuring people in

hotels, or the extra money they spend in shops, etc.

What we are moving towards now is a period where we are considering culture just the same as we would any other industry, and looking at the direct impacts; and that includes more obvious things like counting numbers of people employed directly in these activities, but also, looking at more sophisticated ways of valuing the output -- both in terms of export measures and production.

However, this objective is easier stated than achieved, and there is a whole problem with sources. As I have mentioned already, the whole issue about the creative sector, as well as the service industries more generally, is that they are relatively new areas of activity and that when we started collecting information, doing censuses etc., basically the structure of economic activity looked more like manufacturing industry. So those things were counted well, but the service sector and particularly these new and emerging areas were not counted well, there were categories for them.

So there is a whole set of issues here about if you go to the census and look for the category for new media, it does not exist. So it is not counted and therefore, for all intents and purposes, it does not count.

So there is an issue of actually trying to create new measures. This is part of the other issue, which is about bringing culture to the table of policy. Because, if you bring it to a policy makers' forum or a Government forum, then, inevitably you are going to need to argue against other needs. Why should we support culture and not health? Why should we support culture and not education?

These are hard arguments and they need to be backed up by hard evidence. This issue of being sure of the evidence being based on accuracy and gaining legitimacy for measures and understanding of culture, is an essential part of achieving better policy making, and also achieving the right weight of argument in these rather difficult contexts.

Let me just give you a very, very quick example of what has been going on in Britain in terms of mapping the creative industries. We have made some attempts to measure them and I will just give an example here of employment, this is illustrative here of change between two years. This is not from the Department of Cultures' mapping document, this is from some parallel work. But, just to give you some idea

of the impact, if all employment -- that is all employment in Britain -- grew within this time period something like 3 per cent, in the creative industries the growth was 14 per cent, so it is clear why policy makers are interested in a growth area such as this.

In the end of this period the creative industries were accounting for something like 6 per cent of all employment in the economy. So this is moving from virtual invisibility to becoming a real player in the economy, something that needs to be considered alongside other existing industries.

Furthermore, when we look inside the creative industries -- as I said, this idea of the production system that looks at the different dimensions of production, looking behind the scenes, as it were. We can break it down broadly into four simple areas. If you think about the content production; then, when you make the one-off prototype, that can be the manufacturing; then that prototype is reproduced to make lots and lots of them; and then you have to sell them and distribute them.

Okay now, interestingly, in terms of these changes, if all of the employment increased by about 14 per cent, most of the increase was in content origination. So, the employment -- the impacts are not spread evenly across this whole production system. So it is going to be different in different places at different times; but one needs to look inside to focus on those areas that are doing well and those that are not doing so well, and see whether some of these linkages need to be improved where there are weaknesses in the system, etc. So, this style of analysis begins to open up those sorts of questions, which are otherwise invisible if we only take the bottom line figures.

But the next steps -- it is hard enough -- as I think many of the people who have produced these reports would say -- it is hard enough to produce those basic figures. But really these are only a starting point, because the next steps in mapping involve not just looking at the national level, but looking at the regional and the sub-regional level.

We have just been embarking on this sort of activity in the UK and it has revealed a lot of interesting issues that I will not be able to talk about now, about some of the interrelationships between different regions and different places, and further developing our understanding of these activities. Allen Scott gave some indication of those sorts of issues, the way they work at a global scale, and also at a national scale there.

Also, moving to look at particular sub-sectors or particular industries like the film industry, like the television industry, like the publishing industry; looking in more detail about the internal dynamics there, as well as the interrelationship between those -- those other industries where the synergies work. So that involves another set of activity.

But, also, it is no use just producing one set of numbers because they stand alone and they need to be compared both with time, changeover time, and also cross-national as well. We need to see how other nations are doing, what the contrasts and differences are there. And this sets in play a whole other set of problems because, obviously, the information is not there.

I have started off trying to do some comparison between Britain and Japan. Just to give an example here, just to show you that there are some quite distinct differences, if we look at the national level employment in the time period that I can get census material -- we saw changes in Britain, for example, a growth in all employment -- that is all activities -- of something like 3.3 per cent. In Japan, it was more, 3.6 per cent. But, in the creative industries Britain was achieving quite significant growth of 14 per cent, as I mentioned before; Japan just 5 per cent.

Furthermore, if we look at what was happening at the city level. Again, if we look at all employment in London, something like 5 per cent employment growth there; in Tokyo, barely 1 per cent. In the creative industries, London was growing at something like 20 per cent, and Tokyo; still outperforming the national figure; but only at 3 per cent, nearly 4 per cent.

So I am just pointing out here the contrasts, I think. First, I guess, it points to the significance of capital cities and national cities, particularly those positioned in a world system, for the creative industries. They clearly are far more important than the nation as a whole. But there is an interaction between the nation and these key cities. But, also, that some cities seem to be reaping more of the rewards from the creative industries than others. Now, obviously it is going to require more attention to actually unpick exactly why that might be, but, I think the point is that there are some stark contrasts that need to be explored here.

However, those figures just merely scratch the surface of the task that is ahead of us, unfortunately. I think we need to go beyond this mapping exercise. We need

complementary qualitative measures to understand these issues of organisation and networking in institutions if we are really going to make an impact here. We need to explore, quite simply, the processes of the production of these activities from initiation to final consumption, and there are strong interrelationships all along this -- through this web.

But, also to recognise that simply saying that the creative industries -- they do not all share exactly the same characteristics. There are subtle differences. There is an argument about whether the creative industries are collectively different to most other industries, but clearly there are differences within them.

So, we need to know what is it that is unique, and what is it that is the same, because clearly, national Governments and industrial policy agencies are going to say, "Why -- why should we have a new set of policies for this sector? What is so different about it? Can we not use the old ones?" etc, etc. So that case needs to be made. Unfortunately, I do not think it is made nearly clearly enough yet. We need to build this evidence base. So, this issue of similarities and differences needs to be clarified.

Clearly, the issue about co-location is important, about this grouping of activities; but it is more, simply, than putting firms together, putting creative people together. It is about the interaction. It is about the nature and quality of that interaction and we need to understand that in more detail. It is both economic in terms of traded relationships, it is also about a complex web of un-traded relationships that are social, informational -- they are formal and informal, as well.

Out of these, we have a whole set of contexts that are about learning and experimenting, and it seems to be the places that create a forum for these activities, that create a space for these activities, that seem to develop. They develop through clusters of activity, but also they are linked in organisational sectors. We need to understand these networks and institutions there again, in order to understand where their strengths and weaknesses lie.

So that this question of -- what is the question of intervention in terms of state policy? Should it be, "Well its' doing very well, thank you, leave it alone"? Or, that there are some strategic points of intervention that are required. They need to be understood. Those cannot be specified beforehand, it does require this detailed work looking at production webs and value chains.

My conclusion here, really, is that the creative industries clearly have come of age. They have come as an actor onto a stage. However, the stage is a crowded stage. There are many other people calling for attention, wanting their place in the limelight. So the creative industries are going to have to get their act together, they are going to have to argue their case very cogently and clearly; both against others competing claims -- but also the need to sort out their ideas amongst themselves to develop a mutual understanding.

That involves a dialogue both between policy makers and academics and practitioners. Interesting in the area of the creative industries often practitioners themselves deny the importance of training, because they want to prioritise their own unique creativeness. Well, we are all like that at times, but it is recognising learning processes and recognising interdependencies that does seem to be important.

As I have mentioned throughout this talk, we need to measure -- we need to understand them. We need a sound evidential base in order to make policy, because we are going to place them in the context of other priorities.

We need to ask some hard questions, then. What is it that we want of the creative industries, and also, what is it that they need? We need to ask them, as well, what they need. And, therefore, we can then, hopefully, approach a position of actually trying to devise what sort of policies might be appropriate and indeed, what sort of objectives are the appropriate ones in this particular case to set.

So it is not an off-the-shelf solution. It is something that is going to involve some detailed work. Gladly, with the mapping document you have made a very valiant start there; but, unfortunately, the road ahead is still quite long I fear -- for everybody; and that is -- I think every cultural industries policy agency has got this road to travel to develop more detailed and more sensitised information to those industries, and also the industries themselves have to engage in this process and therefore, finally, the issue of brokering relationships between both policy makers and academics, and between the industry itself is probably going to be the key issue.

There is one final point. In London at the moment, we are trying to develop some policies on the creative industries and one of the issues that is coming out there is this issue of brokering, of making relationships; and I imagine the policy that is going to come out is going to be very much about this issue of brokering. A very

light touch policy, but it is about coordination rather than the old style of heavy, top-down intervention, as Allen was mentioning. Thank you very much indeed.