

The politics of regional audio-visual policy in England: or, how we learnt to stop worrying and get ‘creative’

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This article examines the transition from cultural industries to creative industries policies in the English regions between 1980 and 2010. It argues that audio-visual policy in this period is best understood as a trajectory: the gradual, differentiated, contested, but overall coherent development of a policy discourse and corresponding institutional structure. This trajectory can be mapped onto the wider political economy of the period: the transition from social-democratic reformism to neo-liberalism at the end of the 1970s and up to the present. This process has resulted in audio-visual policy being determined to a large degree by the perceived needs of commercial interests, up to the point where regional cultural policy is virtually indistinguishable from economic policy. The transition from cultural to creative industries reflects the development of the neo-liberal state in which cultural policy has been instrumentalised within the larger project of the privatisation of public assets and the shift of relative power from labour to capital.

Keywords: neo-liberalism; English regions; creative industries; cultural industries; audio-visual policy

[T]here are still too many in the arts world who have yet to be weaned away from the welfare state mentality – the attitude that the taxpayer owes them a living. Many have not yet accepted the challenge of developing plural sources of funding. They give the impression of thinking that all other sources of funding are either tainted or too difficult to get. They appear not to have grasped that the collectivist mentality of the sixties and seventies is out of date. (Richard Luce quoted in Kawashima 1996, p. 30)

[I]t’s worth reminding ourselves why public subsidy works: because it makes possible art of public value that would not otherwise have been made, and allows audiences to find it, who would otherwise not have had access to it. And public subsidy of culture acts as a springboard for commercial enterprise in culture and in the creative industries. (Purnell 2007)

Introduction

The two statements cited above provide a useful inroad to the concerns of this article. The first comes from a speech made in 1987 by Richard Luce, Minister for the Arts 1985–1990. The second comes from a speech given by James Purnell, Secretary of State for Culture, Media and Sport in 2007. They are separated by 20 years and a change of governing party in the UK, from Margaret Thatcher’s Conservatives, elected in 1979,

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to New Labour from 1997. More significantly, they ostensibly appear to encapsulate two different and opposing approaches to cultural policy: the first explicitly hostile to the principle of public subsidy of culture and the second supportive. Luce's attack on the 'welfare state mentality' has a distinctly political edge: the transformations in cultural policy in the 1980s were part of a more general attack on the social-democratic settlement and on leftist cultural politics, or as Luce has it the 'collectivist mentality' of the 1960s and 1970s. For Luce these artists need to realise that they are no longer part of a collective, but competing individuals subject to market forces. At the other end of the period, much has been made of New Labour's apparent sea-change in policy around the cultural industries or the creative industries as they were re-branded. Paul Marris, for example, describes a 'sunrise following the long Tory night':

The concept of 'heritage' has thankfully mutated into 'media and culture'. The 'creative industries' (wider than the 'cultural industries') are officially accepted, even promoted, as a significant economic sector which generates jobs and wealth. Europhobia is to be dispelled, and devolution and regional regeneration have become explicit policy objectives. In a metropolitan state like Britain, these changes have a vital bearing on the environment for regional media production development, consolidating certain baselines which have encouraged a confident, social entrepreneurialism. (2002, p. 15)

The debate is often cast as one about levels of subsidy, reflecting levels of commitment to cultural production: on one side the Tories responsible for cutting cultural subsidy as part of their more general ideological opposition to the state; on the other New Labour properly funding cultural production as part of their modernisation of the UK economy. It is certainly true that after 1997 audio-visual subsidy was increased and this has resulted in overall growth in cultural sectors.¹ However, it is also important to look at the quality and character of subsidy, the ways in which it restricts or enables access to cultural production, how it restricts or allows for creative autonomy, on what basis it distributes cultural and material resources. In particular, if we are to fully understand this key period in the renegotiation of the relationship between cultural production and the state, it is important to look at the politics of these policy transformations and how they relate to the wider international political economy.

It is the argument here that, rather than a sea-change in government attitudes towards cultural production, the transition from cultural to creative industries policies is best understood as a trajectory: the gradual, differentiated, contested, but overall coherent development of a policy discourse and corresponding institutional structure. This trajectory can be mapped onto the wider political economy of the period: the transition from social-democratic reformism to neo-liberalism at the end of the 1970s and up to the present. To paraphrase Des Freedman, what we witness in this period is the systematic attempt to foster certain types of cultural production and suppress alternative modes (2008, p. 1). This argument will be elaborated in this article by looking at the development of regional audio-visual policy in England and in particular the development of the creative industries model for regional audio-visual sectors. Emerging in the 1980s, creative industries policies increasingly, although unevenly, came to inform audio-visual policy and practice in the English regions throughout the 1990s. By the mid-2000s it was possible to discuss a national audio-visual policy strategy characterised by a centrally coordinated but devolved network of funding agencies based on the creative industries model.

Firstly, the article discusses the development of the creative industries model in relation to the political economy of neo-liberalism from the 1980s. Secondly, it

outlines the development of this trajectory during the period by looking at institutions responsible for audio-visual funding in England. The majority of the examples are taken from the North East of England. However, if the argument of this article is correct then this account will also be able to describe the *general* trajectory in other regions of England during the same period.

Conceptualising audio-visual policy in this way has implications both for the history of neo-liberalism in Britain and critical cultural policy studies. A reformist view of the state has been central to an understanding of the potential of cultural policy (see Curran 2004, pp. 16–21). Understanding cultural policy as part of the larger trajectory of neo-liberalism in this period questions this reformist potential. In particular, it places the focus of analysis on the extent to which cultural policy has become an instrument in the neo-liberal restructuring of the economy. This implication is picked up in the conclusion which draws links between cultural policy and neo-liberalism more generally.

The creative industries model of cultural production

The terms ‘cultural industries’ and ‘creative industries’ have complex etymologies. For the purposes of this article they refer to transformations in public policy from the 1980s, in particular the redrawing of the boundaries between cultural policy and economic policy.² This process began under Thatcher’s Conservative government with the introduction of market-based systems of subsidy for cultural sectors and the deregulation of British broadcasting. After New Labour’s 1997 election victory the emphasis on market-led restructuring was reinforced and expanded through the alignment of the cultural, film and broadcast sectors under the new term, ‘creative industries’. The terms ‘cultural industries’ and ‘creative industries’ are, therefore, chronological, reflecting the steady development of a particular policy framework. However, the terms also overlap and are in some ways interchangeable.

The history of the development of the cultural industries as a policy concept is well known (see, e.g., Garnham and Inglis 1990, McIntyre 1996, Hesmondhalgh and Pratt 2005). Most accounts begin by noting the destabilisation of the traditional basis of arts subsidy in Britain at the beginning of the 1980s. The ‘seminal moment’ (Hesmondhalgh and Pratt 2005, p. 3) in this process is usually identified as Nicholas Garnham’s (1990) critique of the distinction between commerce and culture in public policy terms, along with the institutional basis which it informed. An account might then proceed to outline the elaboration of these ideas in the policies of the Greater London Council and the London Industrial Strategy (Greater London Council 1985). From there the story might be about the tensions between ideas of culture and commerce, between state and market, inherent in the culture industries concept, with the market gradually supplanting the state, up to the point where ‘policy towards the “creative industries” can no longer be separated from [information and communications technology] policy in its various forms and the wider information society perspective within which that policy is formulated’ (Garnham 2005, p. 20). The key point is that while the concept’s origins are in a critique of arts subsidy and the ideal of an autonomous art aesthetic, the discourse of the cultural industries effectively rearticulated certain cultural practices within an economic policy framework. It is a mistake, therefore, to look to the radical intentions of the Greater London Council or Garnham *circa* 1980 to understand the development of the creative industries model. Rather, transformation in cultural policy must be viewed within the wider context of

the period. As Garnham has argued, ‘the general context was the shift from state to market across the whole range of public provision, initiated under the Thatcher government’ (2005, p. 16).

Why did cultural policy change in this way? Here, two broad contexts need to be mentioned. First was the attempt to introduce market values into mechanisms for the allocation of cultural provision. As Nobuko Kawashima has argued:

[T]he Conservative Government which came into power in 1979 pushed forward a whole new set of values and ideologies into public sector management ... there was much evidence to suggest the government was trying to minimise its role in the support for the arts. (1996, p. 29)

Kawashima notes that the ‘ideology that the public sector was wasteful and inferior to the market model’ became increasingly influential (1996, p. 29). One response was the introduction of ‘incentive’ or ‘match’ funding requirements into the budgets of cultural funding bodies through initiatives such as the Business Sponsorship Incentive Scheme, launched in 1984. Under the scheme public money would need to be matched or exceeded by money raised from the private sector. Schemes like this worked to create an internal ‘market for support’ within the cultural sector where ‘individual “units of production” – be they organisations or individuals – have to compete for assistance and to present a case’ (Casey *et al.* 1996, p. 7). Cultural institutions increasingly embedded their activities within a rhetoric which emphasised direct and indirect economic benefits to wider sections of the economy: through research, education, training and development, through job creation and urban regeneration, through the commercial exploitation of cultural products.

The second significant policy context during the period was the deregulation of British broadcasting, a process that began with the creation of Channel 4. Channel 4 can be seen as the combination of two forces: on the one hand, a desire amongst some sections of the television industry to break the BBC/ITV duopoly, deregulate the broadcast sector and introduce competition through independent production; on the other, a drive for greater diversity in broadcasting then was catered for by the BBC and ITV companies. It came into being through a series of negotiations between various interests that are too complex to be outlined here (see, e.g., Goodwin 1998, pp. 18–34, Dickinson 1999, pp. 74–75). Unlike the BBC and ITV companies, Channel 4 was created as a publisher/broadcaster, with its programming entirely dependent on independent production companies. Its success, however, led to the further deregulation of the sector. In 1987 a Home Office directive forced an independently produced programming quota of 25% onto the BBC and ITV companies, which was incorporated into the 1990 Broadcasting Act. This resulted in the growth of a casualised labour force based on small independent production units, which are often called small to medium enterprises. As James Cornford and Kevin Robins have argued:

While the major broadcasting companies always supported a fairly extensive freelance labour market, they were mainly staffed by full-time, permanent labour. By contrast, much of the proclaimed ‘efficiency’ and ‘flexibility’ of the independent production sector is associated with a different relationship to the labour market. Most independent production companies have a full-time complement of only four or five employees and hire in much of the requisite technical and creative labour as and when it is required. One result of the growth of the independent sector has, therefore, been a growing casualisation of the labour market. (1991, p. 8)

By 1991 the majority of the British broadcasting workforce was casualised (Cornford and Robins 1991, p. 8). As Jim McGuigan has noted:

Broadcasting in Britain was thus transformed from a bureaucratic and cumbersome Fordist framework to the looser structures of post-/neo-Fordism. Costs were driven down in the highly competitive independent sector – now supplying proliferating cable and satellite channels as well as the terrestrial networks – where wages have shrunk and working conditions have become extremely stressful. (2010, p. 330)

What emerges from these developments is the importance of small independent cultural and media producers as the *symbolic* driving force of the cultural industries concept, embedding themselves within a seemingly progressive rhetoric of economic development, pluralism and diversity in order to compete for support from institutional funders and broadcasters, a process McGuigan (2010) has described as institutionalised individualisation.

By the mid-1990s many of the features of the creative industries model were in place across a range of national and local policy strands in Britain, and increasingly reflected at an institutional level. However, these tendencies were not unified within a coherent departmental framework or policy programme. This was only achieved after the election of the New Labour government in 1997.

The extent to which British Labour party policy became aligned with neo-liberalism during the 1990s is a subject of debate. David Hesmondhalgh, for example, argues that ‘it is a simplification to claim, as many on the radical left do, that Labour is simply following a neo-liberal agenda. Such a characterisation not only misses the contradictions in Labour policy and thinking, it also fails to get to grips with the nature of neo-liberalism’. Hesmondhalgh directs us to ‘the continuing commitment, both in word and deed, towards progressive social-democratic policies on the part of Labour, including a series of welfare “safety nets” for pensioners, families with children and the disabled; the introduction of a national minimum wage; and considerable increases in state spending from 2002 onwards on health, education and public transport’. At the same time he notes the extent to which these reformist policies were combined with a strong emphasis on the marketisation and privatisation of public services. Hesmondhalgh argues, then, that New Labour is best understood as a hybrid government, ‘one which undoubtedly involves neo-liberal elements, but on different terms from the neo-liberalism of the New Right of the Reagan and Thatcher governments of the 1980s’ (2005, pp. 98–99).

On the other side of this debate we can cite Tony Wood who argues that ‘Labour ... has been more overt in its allegiance to neo-liberalism than Europe’s other centre-left parties’ (2010, p. 7). Wood highlights continuity between the previous Conservative government and New Labour in key areas of public policy such as the financialisation of the economy and the contraction of the manufacturing sector; increases in economic inequality; the privatisation of public services through the direct sale of utilities, the expansion of subcontracting and the extension of the Private Finance Initiative scheme (renamed Public Private Partnership); and in the adoption of a direct address to the agenda of the right-wing press, the greatest symbol of which was the close relationship between the Blair government and the fiercely anti-union, US-based media baron Rupert Murdoch, famously described by one former Labour press spokesperson as the ‘twenty-fourth member of the cabinet’.

A key element of this debate is how we are to understand neo-liberalism, particularly in relation to the state and public policy. Is increased public investment evidence

of a continued resistance to neo-liberal values and practices, a continued attachment to social democracy? As David Harvey has persuasively argued, it is important to separate the theory from the practice of neo-liberalism. Harvey argues that in practice neo-liberalism has not been opposed to public subsidy *per se*. Since the late 1970s *laissez faire* economic theory has been applied with discrimination as part of a range of strategies designed to realign the relationship of the state to the market in the interests of private capital (Harvey 2005). As Des Freedman has argued, ‘what we have seen since the early 1980s is a profoundly contradictory phenomenon where free-market enthusiasts who sing the praises of open markets subsequently impose tariffs to protect domestic industries, usually for electoral gain’. Drawing on Harvey, Freedman argues that neo-liberalism is best understood as a project of upwards capital redistribution as opposed to a system of marketisation for its own sake. Perhaps paradoxically, the ‘neo-liberal state’ has a significant role ‘when it comes to the concrete actions of neo-liberalization’ in creating and preserving an institutional framework appropriate to the project of capital restoration (Freedman 2008, pp. 39–40). This point is particularly important if we are to interpret and understand the – often seemingly contradictory – actions and mechanisms of public policy in the period. The question then becomes: To what extent and in what ways has the development of creative industries policies and structures worked to create such an institutional framework? To what extent has cultural policy been incorporated into the development of the neo-liberal state?

Clearly New Labour depended upon a different social base to its Conservative predecessors and its neo-conservative US contemporaries. Indeed, what may distinguish the development of the neo-liberal state under New Labour is the successful co-option of a culturally progressive, politically liberal constituency behind the idea of market-led restructuring. Arguably, this is nowhere as evident as within cultural and media policy.

Labour party thinking in relation to culture and media policy was heavily informed by think tanks such as the Institute for Public Policy Research (IPPR). In an influential IPPR publication written by Richard Collins and Cristina Murrioni, for example, it was argued that ‘the public interest will not be served by rolling back the last two decades of liberalization’ (1996, p. 182) They continue:

The rejection of private ownership and competition is fundamentally flawed. Publicly owned broadcasting in the UK has been strengthened by competition. Commercial broadcasting has provided a voice for interests and identities to which the public system has been closed ... Adaptation to new circumstances, discovering and meeting the needs of consumers, innovative products and services and efficient use of resources – all these things are much more likely to occur in a decentralized system of competing firms. (Collins and Murrioni 1996, p. 5)

In 1997 New Labour renamed the Department of National Heritage as the Department of Culture, Media and Sport (DCMS). The DCMS consolidated the identity of the creative industries (a term it had itself coined) with the Creative Industries Mapping Document (1998), managed by the Creative Industries Task Force, a policy research unit (Vickery 2007, p. 51). The Task Force’s purpose was to ‘recommend steps to maximise the economic impact of the UK creative industries at home and abroad’. The creative industries were identified as ‘those activities which have their origin in individual creativity, skill and talent and which have a potential for wealth and job creation through the exploitation of intellectual property’ (quoted in Schlesinger 2007, p. 379). These were advertising, architecture, the art and antiques market, crafts,

design, designer fashion, film, interactive leisure software, music, the performing arts, publishing, software, television and radio.

By the mid-2000s the centrality of market-based mechanisms of value in cultural policy was evident. The ‘creative economy’ was increasingly seen as central to the British economy as a whole, and a key area of competitive advantage. For example, a report prepared for the Arts Council in 2007 begins by noting that the creative industries would grow by 46% in employment terms and 136% in output by 2015; that in 2004 the creative industries accounted for 8% of UK Gross Value Added compared to 4% in 1997; that creative industries grew by 5% per annum between 1997 and 2004 compared to 3% for the economy as a whole; that the creative industries employ 1.8 million people in the UK; and that creative industries exports contributed £13 billion to the balance of trade, or 4% of exports (Holden 2007, p. 1). As McGuigan notes, this system developed unchecked, until the ‘predominant rationale for cultural policy today is economic, in terms of competitiveness and regeneration, and, to a lesser extent, social, as an implausible palliative to exclusion and poverty’ (2005, p. 238).

The development of the creative industries model is thus the culmination of a redrawing of the boundaries between cultural, media and economic policy which, by the turn of the century, was formulated into a coherent, centrally coordinated framework. The key features of this model can be summarised as follows: a focus on small independent producers which emerge as the unit to which subsidy is most effectively directed in order to drive a host of policy objectives such as economic development and efficiency, urban regeneration, cultural pluralism and diversity; the artificial creation and maintenance of internal markets through relatively high levels of public subsidy; and the adoption of casualised employment practices that were first developed in the broadcast sector.

The development of regional audio-visual sectors

The history of the development of regional audio-visual sectors in England can be traced back to the decentralising cultural policies of the 1964 Labour government, through to the Regional Film Theatre movement and the regional film and video workshops of the 1970s and 1980s (Newsinger 2009). With the mainstream film and television industries located in London and the wider South East, regional audio-visual sectors developed within a cultural policy paradigm subsidised by institutions such as the British Film Institute (BFI) and the Arts Council through the Regional Arts Associations (RAAs, renamed Regional Arts Boards, RABs, in 1989).

It must be emphasised that the renegotiation of the boundaries between cultural and economic policy that characterised the development of the creative industries model was a gradual, differentiated and contested process that remains incomplete. This is for a number of reasons: it takes time for policy changes to take effect; policy is not monolithic, but applied in different forms in different areas; different areas have different compositions and so policy implementation is negotiated in specific ways. Nevertheless, generally speaking this transition was characterised by transformations in the activities of existing institutions on the one hand; and on the other the creation of new institutions that better reflected the creative industries model. With the exception of Bristol in the South West, this was most prominent in the cities traditionally associated with manufacturing, primarily urban centres north of London: Leicester, Birmingham, Nottingham, Sheffield, Leeds, Manchester, Liverpool and Newcastle.

Its development was gradual and uneven as regional audio-visual sectors adjusted to the wider economic and political framework. As McIntyre comments:

By the early to mid-1980s ... most of the elements were in place for a fairly radical shift in the terms of the debate about developing regional cultural/media industries. In effect, a meeting ground was effected between on the one hand local authorities which were looking for mechanisms and strategies for reinvigorating local economies, and on the other cultural activists attempting to develop workshop based practice but also, increasingly, to secure new private and public funding for cultural development underpinned by industrial rhetoric. (1996, p. 225)

An internal report prepared for the Arts Council in the early 1990s confirms this trajectory. It demonstrates the interplay of 'cultural' and 'commercial' objectives in audio-visual funding of the period. For example, it notes that:

The Arts Council, the BFI and the RABs share the following general objectives for production funding: to identify and give support to creativity in film and video; to fund work of cultural value which might not otherwise be made; to develop skills, give experience and redress imbalances in opportunity; to increase the arts economy. (Arts Council n.d.)

It continues:

Where in the 60s and 70s it was possible to describe an independent (funded) sector which related to the industry exclusively in oppositional terms (e.g. 'against dominant cinema/TV with its white/male/probably American values'), during the late 80s the independents traditionally nurtured by the funders – from radical documentary and feature film makers to video artists and disadvantaged groups – have begun to operate successfully in a mixed economy, happy to work inside TV when the opportunity arises. The advent of C4, the 25% quota and the arrangements negotiated between the funders and TV have provided the impetus for this change. (Arts Council n.d.)

The report concludes, 'as a consequence, the aspirations and expectations of those seeking funding in the 90s are likely to be very different to those funded in the 70s and 80s, as will be the criteria employed by the funders' (Arts Council n.d.).

The majority of BFI regional funding was channelled through the RABs. They too began to embed themselves within the creative industries discourse:

A key role for a RAB of the future would be to play its part in progressing the development of the film, video and broadcasting industry in its broadest sense, by seed-funding talent, providing research and development funds, supporting low-budget production (below 20K), providing challenge/investment funding for cultural productions (above 20K) involving private and public funding partners, ideally a broadcaster. (Arts Council n.d.)

However, funding for the RABs declined in real terms during the 1980s and remained relatively low through the 1990s. Further, the well-established pattern of large regional variations in funding continued.³ This was the driving force behind the tendency for RABs to broker co-funding deals with broadcasters and by the mid-1990s most regions in England had a film and/or video co-production scheme of one sort or another (Taylor 1995). For example, First Take, joint-funded by the Eastern Arts Board and Anglia Television, took the form of a low-budget television production fund designed to identify and nurture 'new talent'. Similarly, the West Midlands

Arts Board part-funded a scheme with Central Television and Channel 4 called the First Cut Film and Video Production Fund, offering up to £18,000 for short films for broadcast. In the same period the BBC instituted 10 × 10, a documentary production scheme produced by BBC Bristol with a regional focus, designed to provide training and an entry route to television production for new, regionally based filmmakers (Chandler and Curruthers-Watt 1994).

As well as transformations in the funding policies of existing institutions, towards the end of the 1980s and in the 1990s new organisations were formed that more directly reflected creative industries policies, the most significant of which were the Screen Commissions and the regional Media Development Agencies.

The idea for a national network of regional Screen Commissions derived from a 1990 Downing Street Seminar co-organised by British Screen and the BFI as a way to attract foreign investment to the UK in view of the increasing internationalisation of film and television production. For local authorities eager to encourage investment in local facilities – not only production but also hotels, catering, spending on materials and so on – and boost tourism, Screen Commissions could also help wrest media production away from London and the South East. Liverpool City Council opened a Film Liaison Office in 1989 with the support of Merseyside Television and other cities followed suit. These organisations gathered information relevant to producers such as directories of facilities, crew and locations, built up contacts and offered production liaison with local services such as fire authorities and landowners. In 1991 a national organisation – the UK Film Commission – was set up to coordinate these initiatives and thereby attract foreign investment. Its initial budget was £3.5 million over the first four years (Marris 1991).

For local authorities the development of creative industries policies was based on a desire to boost local economies and reduce unemployment, and there were a number of attempts to measure the economic impact of the cultural sector. For example, a study in Liverpool in 1988 by Merseyside Arts and part-funded by Granada television noted that the economic value of the arts in Merseyside included an £80 million annual turnover, direct or indirect employment for 7000 people and at least £4 million in tax revenue. It concluded that ‘the arts were a cost-effective means of generating jobs through public expenditure’ in comparison to other public services such as education and local government (Myerscough 1988, pp. 92–93).

The first regional Media Development Agency was formed in the North East in 1984. Other regions followed: for example, a Comedia feasibility study recommended that Birmingham City Council set up an Agency in 1987 and a Manchester-based organisation produced a similar report in 1989 (Comedia 1987, Centre for Employment Research 1989). Over the next few years Liverpool, Bristol, Leeds, Sheffield and Leicester also undertook media/cultural industries mapping exercises (McIntyre 1996, p. 224). The relationships between the different actors within these emerging regional creative industries can be further illustrated by outlining the development of one region in more detail.

In the mid-1980s the North East of England had a regional ITV company – Tyne Tees Television – a BBC regional production centre and a number of small independent production companies making non-broadcast commercial films such as corporate promotional videos. The North East also had five film and video workshops – Amber, Swingbridge, A19, Trade Films and Siren – supported by Channel 4 and the BFI with 60 full-time staff and an annual turnover of £1.6 million in 1987. Deregulation in the period, in particular the BBC and ITV quota for independently produced

programming, cut back on directly employed television production staff in the region, which encouraged the development of a new tier of small independent production companies. These numbered up to 50 by 1989, with an average of between three and four staff each, competing with each other for commissions, primarily from broadcasters (Cornford and Robins 1991, pp. 16–27).

The North East Media Development Council (NEMDC) was formed in 1984. Its 1985 feasibility study justified public subsidy for media development in the following way:

There is a real possibility of creating jobs which can be counted in the hundreds, of enhancing the region's self-image and its power to communicate both inside and outside its boundaries, of attracting new investment into the region, and of building new technological skills among the region's workforce. (Quoted in Cornford and Robins 1991, p. 25)

By 1987 NEMDC had set up a development agency, a training centre and a distribution company (although the distribution company folded shortly after). James Cornford and Kevin Robins comment on internal debates within NEMDC:

On the one hand, it was argued that the major objective for the organisation was to secure grant aid for audiovisual work that would reflect the region's culture. On the other, it was argued that the creation of jobs had to take priority, and that only on the basis of industrial development could there be a flowering of cultural expression. Given the changing environment, this dispute was ultimately resolved in favour of the regional development argument. (1991, p. 26)

Increasingly, NEMDC's function was limited to the management of the training centre which adopted a market-driven strategy through a production company and facilities business servicing the local broadcast sector. In 1989 a new agency, the Northern Media Forum, was set up incorporating the ITV companies for the whole Northern region, the larger production companies as well as the groups involved in NEMDC. The Forum's strategy was based on maintaining the regional broadcast sector and attracting outside production spend. It set up a £3 million film investment fund which promised up to 10% of production budgets on agreement that two-thirds of the total production budget be spent in the region (Cornford and Robins 1991, p. 26).

Northern Arts, the local RAB, was particularly well developed and by the 1990s managed a Media Investment Fund channelled to script development, one-off pilot projects and capital loans. It also funded the development of new writers in partnership with Yorkshire and Humberside Arts, North West Arts, Yorkshire TV and Granada TV, and ran a short film production scheme in association with Tyne Tees Television. In the mid-1990s revenue funding for the film and video workshops was withdrawn, leaving them to compete on an equal basis with other local production companies. Reflecting the adoption of broadcast industry standards, in 1995 a document written by Northern Art's Head of Published and Broadcast Arts outlined their production policies as a 'product-led application procedure for company support and individual projects' with an 'emphasis on film and television drama'. It continues:

[S]upport should be offered for work which would not necessarily be defined as cultural production. The aim will be to grow the region's infrastructure and ensure that companies of sufficient strength and experience exist to provide regular work to the technicians and creative grade individuals based in the region. (Quoted in Petley 1995, p. 55)

In this period, then, we have an overall growth and development in the independent production sector in terms of size, organisation and levels of subsidy. Existing film and video workshops that developed within an older cultural policy paradigm that recognised their progressive social and cultural role were supplanted by a massive growth in small commercially orientated independent production companies. This was combined with the development of economic justifications for public subsidy to the point where cultural policy is indistinguishable from economic policy, witnessed in training initiatives, business development and a focus on attracting outside investment. By the mid-1990s public subsidy was maintaining a coordinated 'market for support' in the North East driven by the agenda of broadcasters and directed towards small independent production units.

This was not without opposition. For example, Murray Martin of the celebrated Amber film workshop argued:

[T]he business plan becomes more important than the imagination of its content or the innovation of its execution. Arts funding becomes accessible only to the most financially literate. Script-based, product-led initiatives offer both power and control to the funding agency. But there is absolutely no evidence that this results in better and more imaginative work. On the contrary, script-based production and its attendant funding process is often characterised by escalating costs, censorship, safety, and a conventional product. (Quoted in Petley 1995, p. 56)

In this way the creative industries model developed in opposition to existing models for regional audio-visual development, ultimately supplanting them.

From this we can see that the creative industries model was developed within the specific circumstances of the audio-visual sector in the North East in the period. This was characterised by changes in the behaviour of existing institutions – the BFI, the RABs – and the creation of new institutions that better reflected the structure and ideology of the creative industries model – for example, regional Media Development Agencies and Screen Commissions. It was also characterised by the conscious development of creative industries policies in opposition to existing modes – in this case the regional film workshops that developed within a film-culture policy paradigm. The result was the reallocation of cultural authority, from non-market institutions and organisations to commercial interests. Similar developments also took place in other regions, so that in 1991 Paul Marris could argue that:

While London and its geographical surround continue unquestionably to hold the foremost place in the UK industry, there is now a second tier, comprising Bristol, Birmingham, Cardiff, Glasgow, Leeds, Manchester and Newcastle upon Tyne, and a third including Belfast, Edinburgh, Liverpool, Nottingham, Norwich, Sheffield and Southampton. Each region of the UK has a labour and technical facilities infrastructure in the audiovisual production industry concentrated in major urban centres. (pp. 27–28)

New Labour's first major contribution to regional creative industries was twofold: the consolidation of these existing trends through the creation of a network of nine Regional Screen Agencies (RSAs) and the doubling of subsidy channelled through them. The RSAs were formed through the amalgamation of the agencies that characterised regional audio-visual sectors previously: the film activities of the Regional Arts Boards, regional Media Development Agencies, regional Screen Commissions and other investment funds, training funds and production schemes. They operated as public-private partnerships: publicly subsidised with limited forms of public

accountability. As Margaret Dickinson and Sylvia Harvey have argued, ‘the priorities of the new Regional Screen Agencies have moved public policy away from cultural criteria and concerns and towards almost exclusively market-based forms of judgement and evaluation’ (2005, p. 423).

Conclusion

How can we define the regional creative industries model? Firstly, it is based on the perceived superiority of the market in cultural policy. That is, the belief that modes of production, practices and values that developed within commercial media sectors represent the best possible set of organisational relationships, aspirations and aesthetics for cultural production.

However, this point needs to be qualified: while a market-led *ideology* is dominant in this model, in practice it operates as a privatised public service, maintained by relatively large levels of public subsidy and administered through an artificially created and maintained ‘market for support’. Within this individual units of production – individuals and organisations – compete within a region, collectively with other regions, with London and also internationally. This has been combined with overall growth in regional sectors. For example, in the North East in 2004 there were an estimated 5000 people employed in the creative industries generating £121 million to the North East economy (Skillset 2004). At the same time this growth has been predicated upon a highly flexible, low-paid and casual labour market. So in the North East in 2004 there were 1500 different establishments operating within the sector with an average of around three people each with around 50% freelance (Skillset 2004).

The final question is how to interpret this process? In this it is important to move beyond a straightforward state versus market or culture versus commerce approach. Rather, the concern is the way that different institutional forms have either limited or facilitated the control of material and cultural resources, either restricted or allowed the widest possible exercise of symbolic and material power. Nicolas Garnham’s 1983 analysis of the subsidised cultural sector is appropriate in this context:

The existence of this dependent satellite sector fulfils a very important function for the cultural industries because it enables them to shift much of the cost and risk of cultural research and development off their own shoulders and on to this exploited sector, some of which is then supported from the public purse. It also enables them to maintain a consistently high turnover of creative cultural labour without running the risk of labour unrest, or bearing the cost of redundancy or pension payments. Their cup brimmed over when, as is often the case, the workers themselves willingly don this yoke in the name of freedom. (1990, p. 163)

This statement accurately describes the ‘creative economy’ in 2010 at least as much as it did in 1983. Despite New Labour’s rhetorical emphasis on its novelty, the development of the regional creative industries model described in this article is best understood, not as a sea-change in cultural policy, but the continuation and consolidation of trends going back to the 1980s, in particular the deregulation of British broadcasting, the casualisation/individualisation of the audio-visual sector and the introduction of market systems of value into cultural policy. New Labour’s contribution was thus the consolidation of an institutional structure appropriate to the marketisation of cultural production in England and the upwards redistribution of symbolic and material power towards commercial interests.

This article has proposed that the best way to understand creative industries policies is in relation to the wider political economy of neo-liberalism. Stuart Hall has described New Labour's adoption of neo-liberalism in the following terms:

The fact is that New Labour is a *hybrid* regime, composed of two strands. However, one strand – the neo-liberal – is in the dominant position. The other strand – the social democratic – is subordinate. What's more, its hybrid character is not simply a static formation; it is the process which combines the two elements which matters. The process is 'transformist'. The latter always remains subordinate to and dependent on the former, and is *constantly being 'transformed' into* the former, dominant one. (2003, emphasis in original)

The sense of a continual transformative process, from social-democratic values and aspirations towards neo-liberal outcomes, is a useful way in which to conceive the transition from cultural to creative industries policies. The ostensibly social-democratic aims of the cultural industries – representation, empowerment, diversity and so on – were continually reconstructed into policies and programmes that favoured the dominant neo-liberal reconstruction of the cultural sector towards the interests of private wealth. What many existing accounts fail to adequately address is the centrality of class struggle to this process. That is, the extent to which the shift from reformism to neo-liberalism was predicated on and determined by the relative shift of power from labour to capital that characterised the 1980s and was maintained after 1997. In particular, what is missing is an account of how these transformations in the supposed spearhead of the new, post-industrial economy – competition, 'pluralism', 'efficiency' – might affect the workforce; how, for example, de-unionisation might depress wages and conditions; how shifting economic and ideological power from state to private interests might work against the democratic control of cultural and media institutions. Part of the problem is that within the creative industries discourse, as within neo-liberal political economy more generally, democratic accountability is conceived almost exclusively in terms of consumer-citizens, as opposed to worker-citizens, as if these new industries will be built and maintained, like the pyramids, by the Pharaohs of entrepreneurialism alone.

Creative industries policies are the cultural policy formations that correspond most clearly to the logic of neo-liberalism. This is reflected across a range of discourses and practices that work to, on the one hand, realign institutions and policy frameworks that were developed during the period of post-war social-democratic reformism in relation to the market; and on the other create new institutions and frameworks that better express the neo-liberal agenda. At the time of writing this process is entering a new phase with the cuts to public expenditure announced by the Conservative government in October 2010 also providing the opportunity for the renegotiation of the relationship between the state and the cultural and media sectors. While the specific ways in which this will unfold in the coming years are unclear, it will be impossible to fully understand this process without an accurate interpretation of the politics of the creative industries in the preceding period.

The argument of this article has an implication for cultural policy studies. The distinction between state and market has been central to understandings of cultural policy, particularly within the political economy tradition. The 'statist' approach was based upon, in the words of James Curran, a 'reformist view of the democratic state as an empowering agency that could enhance potentially the contribution that the media made to society' (2004, p. 16). This approach may have made sense when the state could be characterised as an (imperfect) expression of social democracy. But this

was less true in 2010 than it was in 1979. In the contemporary period, it is not the relative strengths of state versus market forms of cultural policy that require attention. Rather, it is the way that neo-liberalism reconfigures and redefines the state in relation to the market, and the extent to which public policy has become an agent in the privatisation of public assets and the concentration of cultural and material power.

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Notes

1. For example, the government's Comprehensive Spending Review for 1998 announced increased funding for the Department of Culture, Media and Sport by £290 million for 1999–2002. Government spending on arts in England went up from £195 million in 1997 to £230 million in 2000–2001 (Hesmondhalgh 2005, p. 103).
2. For a discussion of the terms cultural industries and creative industries that have informed my argument, see Garnham (2005), although the interpretation made there is different to my own.
3. In 1995, for example, Northern arts received £432,028, while South West Arts got just £71,510. For a full list of BFI regional grants, see Taylor (1995).

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