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The Cultural Industries (3rd Ed.)

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AN OVERVIEW OF SOME CHANGES – AND THE IMPORTANCE OF CONTINUITY

Nearly all commentators accept that the cultural industries have undergone remarkable transformation since the early 1980s. Here are some of the major changes I intend to deal with in what follows.

- The cultural industries have moved closer to the centre of the economic action in many countries and across much of the world. Cultural industry companies can no longer be seen as secondary to the 'real' economy where durable, 'useful' goods are manufactured. Some of these companies are now vast global businesses and are among the most discussed and debated corporations on the planet.
- The ownership and organisation of the cultural industries have changed radically. The largest companies no longer specialise in a particular cultural industry, such as film, publishing, television or recording; they now operate across a number of different cultural industries. These conglomerates compete with each other, but, more than ever before, they are connected – with each other and with other companies – in complex webs of alliance, partnership and joint venture.
- Despite this, there are also more and more small- and medium-sized companies in the business of culture and there are increasingly complex relationships between large, medium and small cultural companies.
- Digitalisation, the internet and mobile telephony have multiplied the ways in which audiences can gain access to content, and have made small-scale production easier for millions of people. They have also enabled powerful corporations from the information technology sector to compete with more established cultural-industry and consumer electronics businesses. Microsoft, Google, Apple and Amazon are now as significant as News Corporation, Time Warner and Sony for understanding cultural production and consumption.
- Cultural products increasingly circulate across national borders. Images, sounds and narratives are borrowed and adapted from other places on an unprecedented scale, producing new hybrids but also, for some, reaffirming the value of cultural authenticity. The long-standing domination of cultural trade by the USA may be diminishing.
- The way that the cultural industries conceive of their audiences is changing. There is greater emphasis on audience research, marketing and addressing 'niche' audiences.
- Government policy and regulation have altered drastically. Longstanding traditions of public ownership and regulation have been dismantled. Key policy decisions are increasingly carried out at an international level. At the same time, the cultural industries have become more and more significant in local urban and social policy, as a means of regenerating economies and providing a competitive advantage over other cities and regions.

- There has been a huge boom in the amount of money that businesses spend on advertising, only partially interrupted by the economic crash of 2008–2009. This boom helped to fuel the spectacular growth of the cultural industries.
- *Texts*¹ (in my view, the best collective name for content and for cultural ‘works’ of all kinds: the programmes, films, records, books, comics, images, magazines, newspapers and so on produced by the cultural industries) have undergone a radical transformation. There is an increasing penetration of promotional and advertising material into previously protected realms. There is more and more product of all kinds, across a wider range of genres, across a wider range of forms of cultural activity than before. Various forms of cultural authority are increasingly questioned and satirised.

To what extent, though, do such changes really represent major, epochal shifts in the way that culture is produced and consumed? After all, alongside these changes, there are many continuities that might be obscured by an overemphasis on change. For example, television continues to play a huge role, as a source of information and entertainment, in people’s lives; stars continue to be the main mechanism via which cultural industry companies promote their products; the USA is still thought of, across the globe, as the world centre for popular culture; and copyright remains fundamental to how companies and successful producers make money. Because continuities such as these are entangled with the above changes, I refer throughout this book to **patterns of change and continuity in the cultural industries**. The interweaving of change and continuity is its central theme.

Many commentators go much further than I have above in pointing to change. Some claim, for example, that digitalisation has transformed cultural production beyond recognition. The internet and the mobile phone have triumphed. The music industry is dying or already dead, they say. Television is over. Book publishing as we knew it is finished. Yet these industries continue to pour out huge amounts of product, employ tens of thousands of people, produce considerable amounts of revenue, and occupy vast amounts of our time. Some optimistically see a new age where distinctions between producers and audiences disappear, and ‘users’ become the new creators. Commentary of this kind often implies, and sometimes explicitly states, that all the old notions and models need to be thrown out, and the history of cultural production is irrelevant because we are now living in an ‘information age’ rather than an ‘industrial age’ (or some other term that serves to simplify the past). Others see transformation just over the horizon. In many cases, it is unclear whether we are reading analysis of what is happening now, or a prediction of the future.

1 Throughout this book, I use ***bold italics*** to denote key concepts on their first major occurrence, **bold** to highlight key phrases, and *italics* for titles and ordinary emphasis. The key concepts are defined in the Glossary at the end of the book and usually on their first appearance, too.

A more balanced assessment is required, and one that is grounded in a longer-term historical perspective than many of the celebrations of a new digital age. We need, for example, to understand that the cultural industries have always been in competition with (and yet often also in collaboration with) other neighbouring sets of industries. The most notable historically have been the telecommunications and consumer electronics industries. The information technology industries have now joined this group of interlinked industries. The development of the internet and the web, and the entry of IT firms into cultural markets, has certainly brought about considerable change in the everyday cultural experiences of billions of people. But has it altered the fundamental underlying dynamics of cultural production and consumption? To address such issues of change and continuity, we need to understand what these fundamental dynamics are. Starting with this chapter, this book provides such an understanding. As a basis for this, we must first think about the distinctive role of the cultural industries in modern societies, and the best way to do this is to ask the question, why do the cultural industries matter? The answers all involve their actual or potential **power**.

WHY DO THE CULTURAL INDUSTRIES MATTER?

The importance of the cultural industries in modern societies rests on three related elements: their ability to make and circulate products that influence our knowledge, understanding and experience (texts); their role as systems for the management of creativity and knowledge; and their effects as agents of economic, social and cultural change. I shall deal with each of them in turn now.

The cultural industries make and circulate texts

The cultural industries are involved in the making and circulating of products that, more than the products of any other kind of industry, have **an influence on our understanding and knowledge of the world**. Debates about the nature and extent of this influence comprise, in the words of a valuable survey of the concept, 'the contested core of media research' (Corner, 2000: 376). The best contributions to such debates suggest the complex, negotiated, and often indirect, nature of media influence, but of one thing there can be no doubt: the media do have an influence. We are influenced not only by informational texts, such as newspapers, broadcast news programmes, documentaries and analytical books, but also by entertainment. Films, TV series, comics, music, video games and so on provide us with recurring representations of the world and so act as a kind of reporting. Just as crucially, they draw on and help to constitute our inner, private lives and our public selves: our fantasies, emotions and identities.

Collectively, informational and entertainment texts contribute strongly to our sense of who we are, of what it means to be a woman or a man, an

African or an Arab, a Canadian or a New Yorker, straight or gay. They shape our sense of how we might live together in modern societies, of how democracy, justice and rights might operate.² They are the way in which we come to form our opinions about the rights and wrongs of consumerism, and the prospects for the future of the planet. For these reasons, the products of the cultural industries are more than just a way of passing time – a mere diversion from other, more worthwhile things. All the same, the sheer amount of time that we spend experiencing texts, however distractedly we might do so, in itself makes the cultural industries a powerful factor in our lives.

So, studying the cultural industries might help us to understand how texts take the form they do and how these texts have come to play such a central role in contemporary societies. Importantly, most texts that we consume are circulated by powerful corporations. As we shall see, this is just as true in the age of the internet as it was in the decades before its emergence. These corporations, like all businesses, have an interest in making profits. They want to support conditions in which businesses in general – especially their own – can make profits. This raises a crucial issue: do the cultural industries ultimately serve the interests of their owners and their executives and those of their political and business allies?

We must avoid simplistic answers to this vital question. Throughout this book, I argue for a view of the cultural industries and the texts they produce as **complex, ambivalent and contested**. (Some influential analyses of the cultural industries have downplayed these aspects – see Chapter 1.) In societies where the cultural industries are big business, cultural industry companies tend to support conditions in which large companies and their political allies can make money: conditions where there is constant demand for new products, minimal regulation by the state outside of general competition law, relative political and economic stability, workforces that are willing to work hard and so on. Yet, in contemporary societies, many of the texts produced and disseminated by the cultural industries do not simply support such conditions. Very often (not just occasionally) they tend to orientate their audiences towards ways of thinking that do not coincide with the interests of capitalism or of structured domination by men over women or institutional racism. (I address this issue further in Chapters 2 and 11.)

If this is true, why does it happen? Partly, it is for the simple economic reason that cultural companies have to compete with each other, as well as maintain the general conditions in which to do business, and so they attempt to outstrip each other to satisfy audience desires for the shocking, the profane and the rebellious. It is also because of social and cultural factors deeply embedded in many societies regarding what we expect of art and entertainment. This takes us to a second argument for the importance

2 See the interesting and valuable theorisations of 'mediatisation' collected in Lundby (2009). Mediatisation is the process by which the media become more and more involved in other institutions, such as politics, sport, family, religion, and so on, but also become institutions in their own right (see Hjarvard, 2008).

of the subject of this book and into a domain that has been neglected in academic and public debate in recent years.

The cultural industries manage creativity and knowledge

The cultural industries are concerned, fundamentally, with the management and selling of a particular kind of work. Since the Renaissance – and especially since the Romantic movement of the nineteenth century – there has been a widespread tendency to think of ‘art’ as one of the highest forms of human creativity. Sociologists and Marxists have argued in response that artistic work is not so different from other kinds of labour, in that both are orientated towards the production of objects or experiences (Wolff, 1993, Chapter 1, provides an excellent summary of these debates). This view helps to counter the idea that ‘artists’ are different from the rest of us, that they are involved in some mystically special form of creativity. Nevertheless, there is something distinctive about that area of human creativity often called ‘art’. The invention and/or performance of stories, songs, images, poems, jokes and so on, in no matter what technological form, involves a particular type of creativity – the manipulation of symbols for the purposes of entertainment, information and perhaps even enlightenment. Instead of the term ‘art’, with all its connotations of individual genius and a higher calling, I want to use the more cumbersome term *symbolic creativity*³ and, instead of the term ‘artists’, I prefer the phrase *symbol creators* or symbol makers for those who make up, interpret or rework stories, songs, images and so on. This is a more inclusive term, and that means it also incorporates the work of those involved in the production and sharing of knowledge as well as of art and entertainment.

So the terms ‘symbol creators’ and ‘symbolic creativity’ are intended to cover the work of actors, writers (journalists, book authors, screenwriters, poets, bloggers, advertising copywriters), comedians, musicians, painters, photographers, cinematographers, camera operators, sculptors, dancers – and a whole set of terms that mean different things in different industries such as television, film, theatre and music: directors, producers, and designers.⁴

Symbol creators were for many years ignored or at best marginalised in academic research on the cultural industries. This was perhaps because of an understandable, but excessive, reaction against the fetishisation of their work as extraordinary. Sociologists emphasised systems or rituals of production,

3 My use of this term is borrowed from Willis (1990), but I differ from him in focusing on industrialised symbolic creativity, whereas he is concerned with the creativity of young people as consumers.

4 Cultural production is centred on symbol making, but involves a complex division of labour encompassing many other kinds of workers besides symbol creators. See Chapters 2 and 7.

rather than genius. In the academic fields of media studies and cultural studies in the 1980s, many researchers began, quite rightly, to examine the pleasures and interpretative activities of audiences much more assiduously than in previous analysis. But this led to a shift in fashion, away not only from analysis of symbol creators, but also from cultural production in general. Some strongly implied that audiences trumped producers, because they had the freedom to make of texts pretty much whatever they wanted, and therefore the study of cultural production and cultural industries was irrelevant, or at least far less pressing than some had argued it to be (Fiske, 1987).

The study of cultural and media industries never went away entirely (see Chapter 1) but much of it paid little attention to the question of how symbol making was organised and circulated. In the 1990s, a new generation of writers began to put symbol creators back in the picture (Born, 1993; Toynbee, 2000). This was a good thing. After all, symbol creators are the primary workers in the making of texts. Texts, by definition, would not exist without them, however much they rely on industrial systems and a complex division of labour for the dissemination of their work. This does not mean that we should romantically celebrate the work of musicians, authors, film-makers and so on. Symbolic creativity *can* enrich people's lives, but often it is banal or mediocre. Sometimes it meekly serves power, or it promotes commercialism over creativity and knowledge.

Other traditions of study, for example of literature or fine art, have focused on especially talented or fêted symbol creators, at times hardly referring to the means by which authors, musicians and so on have reached their audiences, how their work was funded, supported or suppressed. Some widely disseminated versions of such thinking offer a pious and complacent celebration of the achievements of Western civilisation (Clark, 1969). Instead, we need better ways of historicising symbolic creativity, and understanding the relationships between culture, society and commerce. Writers such as the Welsh cultural studies analyst Raymond Williams and the French sociologist Pierre Bourdieu offer better models (see Bourdieu, 1996; Williams, 1981). They and others show how such creativity has been a more or less permanent presence in human history, but how its management and circulation have taken radically different forms in different societies. In Europe, for example, systems of patronage gave way in the nineteenth century to the organisation of symbolic creativity around the market. It was at this point that the cultural industries began to emerge. From the early twentieth century, this market organisation began to take a new, complex form (see Chapter 2). Examining changes in the cultural industries allows us to think about how symbolic creativity has been organised and circulated in our own lifetimes and – the key theme of this book – how this might be changing.

Again, we need to understand the cultural industries as fundamentally *ambivalent*. The way the cultural industries organise and circulate symbolic creativity reflects the extreme inequalities and injustices (along class, gender, ethnic and other lines) apparent in contemporary capitalist societies. There are vast inequalities in access to the cultural industries – and these persist in the era of digitalisation. Those who succeed in having their work circulated

widely are often treated shabbily and many people who want to create texts struggle to earn a living. Failure is far more common than success. There are great pressures to produce certain kinds of texts rather than others and it is hard to come across information about the existence of organisations and texts that attempt to do things differently. Some types of text are made much more available than others. These are bleak features of the cultural industry landscape, yet, because original and distinctive symbolic creativity is at a premium, the cultural industries can never quite control it. Owners and executives make concessions to symbol creators by granting them far more *autonomy* (self-determination) than they would to workers of equivalent status in other industries and to most workers historically. Paradoxically, this freedom – which is, in the end, a limited and provisional one – can then act as a form of control because it makes the scarce and poorly-paid jobs offered by the cultural industries highly desirable; as we shall see, especially in Chapter 7, there is a massive oversupply of potential workers to the cultural industries, and this helps to keep wages low. However, the relative autonomy of symbol makers may also help to explain the ambivalence in texts referred to above, because it provides a certain amount of freedom for at least some symbol creators to make strange, funny, pleasing work.

Cultural industry companies face another difficulty, too. They have to find audiences for the texts that symbol creators produce. Usually, this is not a matter of finding the greatest possible mass audience for a product. Different groups of people tend to have different tastes, so much of the work of cultural industry companies attempts to match texts to audiences, to find appropriate ways of circulating texts to those audiences and to make audiences aware of the existence of texts. This is a risky business. Many texts fail, even those that companies expect to succeed. The upshot of these processes is that cultural industry companies keep a much tighter grip on the *circulation* of texts than they do on their production.

The importance of symbolic creativity helps to explain the fact that the main focus of this book is on patterns of change/continuity in the cultural industries, as opposed to, say, change/continuity in the texts produced by those industries or in how audiences understand texts. As I should have made clear by now, however, this does not mean that I am interested only in the cultural industries as systems of production. In fact, my primary interest is **how production relates to human experience of culture and knowledge**. But all writers, given their limited time and energy, must make decisions about where to concentrate their attention and, rather than focusing on the texts themselves and then working backwards from there to the industries, my primary topic is production.

The cultural industries are agents of economic, social and cultural change

A third and final reason for the importance of examining change and continuity in the cultural industries is that they are increasingly significant sources of wealth and employment in many economies. Measuring the relative

size of these industries is difficult and there are controversies, occasionally useful but sometimes tedious, about how best to do so (see Chapter 6). Much depends on how we define the cultural industries, an issue discussed in the next section of this Introduction. It seems fair to say, though, that the economic role of cultural production is growing, but not nearly as much or as quickly as some commentators and policymakers claim.

That the cultural industries might be providing more wealth and employment is, of course, significant in itself, but it also has implications for how we understand **the relationships between culture, society and economy**. Many of the most important debates about these relationships over the last few decades have concerned what we might call theories of transition. Have we moved from industrial societies to post-industrial or information societies, based on a much greater emphasis than before on knowledge? This was a line of thought initiated in the 1960s and 1970s by the work of, among others, Daniel Bell (for example, 1974) and maintained by writers such as Manuel Castells (such as, 1989, 1996) in the 1980s and 1990s. Have we moved from societies best characterised as 'modern', because of their increasing ephemerality, fragmentedness and flux, to a situation better characterised as 'post-modern', where these features become so accentuated that rationality and meaning seem to break down (Harvey, 1989; Lyotard, 1984)? In one version of such debates, some analysts (notably Castells, 1996; and Lash and Urry, 1994) suggested that symbolic creativity and/or information were becoming increasingly central in social and economic life. An implication of this, drawn out more fully by Lash and Urry than by Castells, was that the cultural industries therefore increasingly provided a model for understanding transformations in other industries. Others claimed that the cultural industries themselves were becoming more like other industries and losing their distinctiveness as an economic sector (Padioleau, 1987).

Academic study was echoed by business and management analysts, who placed increasing emphasis on firms' non-tangible assets, especially the value of these businesses' brand names (see Wolf, 1999, for a popularising version). Brands can only be made valuable as a result of massive amounts of work being put into product names and logos and how they are represented and circulated. Cultural industry companies such as Disney, because they were considered so experienced in developing brands (in a sense, every film, every star, every book is something like a brand), were often named alongside companies such as Nike and more traditional firms such as Coca-Cola as leaders in this field.

Brands, however, were only one part of the hype about the increasing role of information, culture and knowledge in modern economies. In the late 1990s and early 2000s, the rise of the internet and the world wide web fuelled these debates and sent them off in new directions. There was a seemingly unstoppable flow of books about 'the weightless world' (Coyle, 1999), about how, in the future knowledge economy, we would be 'living on thin air' (Leadbeater, 2000) rather than on material goods. There was much talk of 'the new economy' (see Henwood, 2003, for a critique of this idea) in which

the traditional business cycles of boom and slump would be replaced by continuous growth; communication technologies, branding, information and culture were all seen as central to this new configuration. For a number of writers, the concept of creativity was particularly significant. In the 'creative economy' (Howkins, 2001), economic life would be based on a new centrality for creativity and innovation, of many different kinds.

The bursting of the so-called dot.com bubble in 2000–2001 provided only a temporary respite. The hype took off with unprecedented power in the mid-2000s, propelled by a potent mixture of credit-based economic growth and digital optimism. Some claimed that creativity would 'be the driver of social and economic change during the next century' (Hartley, 2005: 1). Leading US news magazine *Newsweek* devoted the 2006 version of its annual special issue preview of the forthcoming year to 'The Knowledge Revolution', including much discussion of the magical new buzzword 'creativity' (see also Florida, 2002, 2005). In one of the most over-quoted journalistic events of the twenty first century, carried away by celebrations of 'user-generated content', *Time* magazine made 'you' its annual 'person of the year' for 2006. The digitalising cultural industries were supposedly leading the way into an economy based on the provision of goods and services to niche markets, rather than mass markets; this would enable small companies to challenge big business (Anderson, 2006). More serious analysts wrote of a 'networked information economy' (Benkler, 2006) and of a culture now based on a democratisation of participation enabled by 'convergence culture' (Jenkins, 2006).

If the cultural industries are playing a central part in these supposed transitions – to the information or knowledge society, to economies based on brands, on signs and meanings, on creativity and culture – it is surprising how rarely systematic, historically informed analysis of changes in these industries has been carried out by those involved in such debates. This book seeks to offer such analysis. A key aim is to cast light on these various notions and on whether they exaggerate change at the expense of continuity.

OUTLINE OF THE ARGUMENT

Two questions seem to me to be of particular importance in relation to patterns of change/continuity in the cultural industries, both involving a set of subsidiary questions. First, **how might we explain them?** What were the forces driving change and ensuring continuity? Which groups of people made the key decisions in bringing about new patterns of change and continuity? What interests did they represent?

Second, **how might we assess change and continuity?** This involves two further moves: considering the *extent* of change and *evaluating* it. Which phenomena represent fundamental transformations in cultural production and consumption and which are merely superficial changes? What political and ethical principles can we draw on to think about what is right and wrong in

the way that the cultural industries are structured, governed and organised in the late twentieth century and at the beginning of the twenty first?

The rest of this introductory chapter lays out the working definition of the cultural industries I am using in this book. It explains the etymology of the term and my reasons for preferring it over other alternatives. It outlines the distinctive features of the cultural industries. These features are important for the argument in the rest of the book because they help to explain changes and continuities in the way that the cultural industries are structured, organised and regulated.

Following the Introduction, Part One consists of three chapters that establish the analytical frameworks for the rest of the book and begin the story of change and continuity in the cultural industries since, roughly, 1980. Chapter 1 prepares the ground for assessment and explanation by considering **the main approaches that serious analysts have taken to understanding the cultural industries and the concept of culture more generally**. It argues for an approach based on a fusion of various approaches, involving

- an understanding of the complex intermeshing of economic, political and cultural power, which I mainly draw from a particular version of the critical political economy of culture, but also from the sociology of culture and communication studies;
- a sociological analysis of the relations between cultural production and texts, of what actually happens 'inside' culture-producing organisations, and how this might help shape the different kinds of cultural experience that different groups might have;
- the understanding that social theory and some versions of cultural studies can provide of the complexity and importance of culture itself, including its relationship to power, inequality and social justice.

The main purpose of the chapter is to explain a number of assumptions that underlie the analysis and argument in the rest of the book, and to lay out how my approach differs from, but also draws upon, other people's research.

Chapter 2 deals with how we might **assess** patterns of change/continuity in the cultural industries. In order to do so, it provides an outline of the key aspects of what, adapting Raymond Williams, I call **the complex professional era of cultural production**. The complex professional form of production took shape in advanced industrial societies in the early twentieth century and, by the middle of the twentieth century, had become the dominant form. The key aspects are discussed in terms of the following categories:

- What is the place of cultural production in modern economies and societies?
- Who owns cultural industry businesses and how they are structured?

- How is production organised? (This includes questions concerning the autonomy or independence of creative workers from commercial and state control, and the relationships between creativity and knowledge, on the one hand, and commerce on the other).
- What is the nature of cultural work and what are the rewards for it?
- Which countries and regions dominate global and international cultural production?
- Which communication technologies have been used, and with what effects?
- How might we characterise the texts produced by the cultural industries?

This is not just a set of abstract arguments. The aim is actually to provide a historical outline of what industrialised cultural production looked like up to the 1970s, *before* the changes discussed in this book began to take place. This historical outline allows us to ask two types of questions about change and continuity, and these are then laid out in the rest of the chapter.

First, there are questions about the **extent** of changes since 1980, about how much things have changed. A key objective of the book is to assess whether changes since 1980 have seen the emergence of a completely new era of cultural production or whether these changes represent shifts *within* the complex professional era and therefore a relatively limited (though still potentially significant) set of transformations. But they crucially raise further questions about the **evaluation** of changes and continuities. Which changes are good for people, for culture, society and democracy, and which are not? A set of principles for how we might evaluate cultural production is laid out, building on the approach advocated in Chapter 1 and on my summary, earlier in this Introduction, of why I think the cultural industries matter.

Chapter 3 discusses how we might **explain** change, assessing the rival claims of approaches that emphasise economic, political, technological and sociocultural factors. Again, although there is some necessary abstraction here, as I discuss how we should understand these factors, the chapter also has a strongly concrete dimension: it begins the story of recent change/continuity in the cultural industries. It does so, first of all, by examining how various economic, political, technological and sociocultural factors interacted to produce a set of intertwined crises in Western societies in the late 1960s and 1970s. These crises initiated many of the key changes discussed in the book. What some writers have called The Long Downturn in advanced industrial economies from the late 1960s onwards is a vital context for understanding the four decades that followed. For the crises helped bring about a huge change in how governments across the world thought about how to govern many aspects of societies. From the 1970s onwards, governments increasingly adopted public policies based on a set of ideas that can usefully be grouped together under the name *neoliberalism*.

Linked to this, this period also saw the rise of a particular way of thinking about the future of knowledge, culture and economy, which had

a considerable influence on public policy on business, communication and culture. I call this way of thinking *information society discourse*. However, neoliberalism and information society discourse do not explain everything that happened in the cultural industries. The chapter also discusses three other forms of change that drove changes in cultural production and consumption: changes in business strategy; sociocultural and textual changes; and technological change. By stressing these multiple factors, I avoid a problem that haunts some accounts of change in the cultural industries: reductionism.

Chapters 4 and 5 constitute Part Two of the book. The various factors discussed in Chapter 3 provide a basis for understanding a number of policy changes in relation to telecommunications, broadcasting and computing that were fundamental in bringing about many of the changes examined later. I show how governments altered their telecommunications and broadcasting policies in the 1980s and 1990s to encourage the development of the commercial cultural industries by privatising public corporations and 'loosening' the regulation of media and culture. Governments also encouraged the growth of IT and telecommunications sectors in such a way that would eventually exacerbate tensions and contradictions between these different sectors. The story of this privatisation and 'deregulation' may seem familiar to some readers in media and communication studies. My account is different from existing ones, though, because of its international emphasis and its periodisation of change. I outline four overlapping waves of change in the communications policies of national governments:

- The first in the USA in the 1980s.
- The second in other advanced industrial countries from the mid-1980s to the mid-1990s.
- The third in transitional and mixed societies after 1989.
- The fourth, which continues today, across all these regions/polities, involving the increasing convergence of the cultural industries with telecommunications and computers sectors.

Chapter 5 then examines changes in two other key domains of policy, cultural policy and copyright law, that were also crucially affected by neoliberalism, information society discourse, and the other factors discussed in Chapter 3. Again, these policy changes have been a very important basis for other changes. They represent shifts in how creativity and cultural production are conceived in relation to commerce and capital.

Part Three then builds on the foundations established in Parts One and Two to examine changes and continuities in the various aspects of cultural production outlined. To reiterate, a key underpinning idea is whether the features of the complex professional era of cultural production outlined in Chapter 2 still hold. In line with the framework established in Part One, each chapter not only examines the extent of change but also addresses how we might evaluate events.

In Chapter 6, I examine changes and continuities in business ownership and structure, and in the place of the cultural industries in modern economies. I trace the massive wave of mergers and conglomeration that occurred in the 1990s and 2000s. These produced a new generation of vertically-integrated, conglomerated titans, sitting above two lesser tiers of big and smaller companies. I also note a counter-tendency, from the mid-2000s, towards de-conglomeration as over-extended corporations partially withdrew from some areas of the sector. I examine whether cultural production really has become more concentrated in terms of ownership, and the degree to which this matters. A major development has been the entry of IT giants such as Microsoft and Google into cultural-industry terrain. This requires an understanding of dynamics of competition and collaboration between cultural-industry companies, on the one hand, and those in neighbouring sectors, such as consumer electronics, telecommunications and information technology, on the other. Finally, I address the question of the extent to which the cultural industries are a key part of national economies and global business. I argue that the steadily growing significance of these industries needs to be understood as a phase in the long-term commodification of culture and I outline the ambivalent consequences of this.

Chapter 7 deals with changes and continuities in **the organisation of cultural production** and in **cultural work**.⁵ Perennial questions about how to control risk and manage creativity were being answered in new ways from the 1980s onwards. Notably, there was an increasing focus on marketing and market research. I then analyse some evidence about the degree to which control of creative outputs on the part of cultural-industry businesses in pursuit of profit might be becoming tighter and more restrictive, in journalism, theatre and advertising, and whether commercialisation might be affecting creative autonomy. The final section discusses changes in the terms and conditions of cultural work. Did such changes represent a fundamental shift in the social relations of cultural production? Did the conditions of cultural workers improve as the cultural industries expanded?

One of the main ways in which firms tried to compete in the new business environment created by governmental and business response to The Long Downturn and by various sociocultural changes of the period was by internationalising their operations. The consequences of this for the cultural industries are assessed in Chapter 8. *Internationalisation* in the cultural industries has helped lead to a much greater complexity of international flows of culture than before, but it has also meant the increasing global presence of vast corporations. So, the chapter considers whether

5 These and other dimensions of the cultural industries are sometimes labelled 'micro' factors as opposed to 'macro' ones such as ownership, conglomeration and so on. The macro/micro dualism can be used poorly, but I think it is valuable. I use it as shorthand from time to time in this book.

or not we should think of the new state of play in the cultural industries internationally as a new stage of cultural imperialism or as a sign of a new global interconnectedness with democratising possibilities. The chapter also asks if this duality between imperialism and interconnectedness is an adequate conceptual basis for addressing the key issues. It provides assessments of changes in three industries in particular: television (looking at Latin American and Arabic television); film (looking at Hollywood power, and at the Indian and Hong Kong industries); and music.

Chapter 9 focuses on what is generally agreed to be the key technological development of the last 20 years – *digitalisation* – and, closely associated with it, the rise of the internet. I begin by discussing the key tenets of *digital optimism* in relation to cultural production and consumption: that digitalisation and the internet allow for substantially greater levels of control, creativity and participation on the part of non-professional ‘users’ and/or audiences; and that, because of this, the power of industrial, professional and institutionalised cultural production is eroding, and a more democratic and vigorous system of communication has either arrived, or is just over the horizon. I then outline some major criticisms that have been made of this type of thinking, which in turn generates a set of problems about how to evaluate the effects of digitalisation and the internet on cultural production, as follows. To what extent do inequalities in access and skills undermine claims about democratisation? How do new centralisations of power (for example, the control of search engines by very few companies, and the use of particular search protocols) affect cultural production? How might we interpret the presence of intensified commercialism and surveillance in digital networks? While recognising that the internet and digitalisation have brought cultural and political benefits, I argue that we need to be sceptical about the claims of even the most sophisticated digital optimists – but this does not mean that we have to be pessimistic.

Chapter 10 then examines the impact of digitalisation and the internet on a number of cultural industries, building on the discussion in Chapter 9. It analyses the major crisis undergone by the recording industry in the first decade of the twenty first century, and the increasing control of distribution by new entrants from the information technology industry, notably Apple and Amazon. It also asks whether the digitalisation of television in many countries has really led to an increase in meaningful consumer choice and control and examines the impact so far of digitalisation on newspapers, magazines and books. I close the chapter by examining how video games or digital games emerged as a new medium of culture and communication in the 1990s and 2000s, and what the implications are for understanding digitalisation.

Chapter 11 deals with the effects of all these patterns of change/continuity at the point where the cultural industries arguably have their most profound impacts on social and cultural life: **texts**. In what significant ways have cultural texts and their consumption by audiences changed (or not) during the

period covered by this book (essentially 1980 to 2012)? And in what ways has this then had reciprocal effects on the institutions, organisation and economics of the cultural industries? I deal with three particularly important but tricky issues in assessing texts: diversity, quality, and the extent to which texts serve the interests of cultural industry businesses and their political allies.

Finally, a concluding chapter summarises the arguments of the book and outlines its importance for understanding changing relationships of power and social justice in relation to cultural production.

MATTERS OF DEFINITION

The cultural industries are difficult to define, and many researchers have demonstrated great confusion in trying to do so. One vital step is to take the concept of culture seriously.

If we define culture, in the broadest anthropological sense as a “‘whole way of life” of a distinct people or other social group’ (Williams, 1981: 11), it is possible to argue that all industries are cultural industries in that they are involved in the production and consumption of culture. For by this definition, the clothes we wear, the furniture in our houses and workplaces, the cars, buses and trains we use for transport, the food and drink we consume are all part of our culture and they are nearly all produced industrially, for profit.

The term ‘cultural industries’ has tended to be used in a much more restricted way than this, based implicitly on a definition of culture as ‘the *signifying system* through which necessarily (though among other means) a social order is communicated, reproduced, experienced and explored’ (Williams, 1981: 13, original emphasis). To put this a little more simply, the cultural industries have usually been thought of as those institutions (mainly profit-making companies, but also state organisations and non-profit organisations) that are most directly involved in **the production of social meaning**. Therefore, nearly all definitions of the cultural industries would include television (cable and satellite, too), radio, the cinema, newspaper, magazine and book publishing, the music recording and publishing industries, advertising and the performing arts. These are all activities the primary aim of which is to communicate to an audience, to create texts.

All cultural artefacts are texts in the very broad sense that they are open to interpretation. Cars, for example, signify: they have meanings. Every car involves significant design and marketing inputs. However, the *primary* aim of cars as a category is not to provide a set of meanings to customers, or to look nice, but transport. What defines a text, then, is a matter of degree, a question of balance between its functional and communicative aspects (see Hirsch, 1990/1972 for a similar argument). Texts (songs, narratives, performances) are heavy on signification and tend to be light on functionality and they are created with communicative goals primarily in mind. Box 0.1 presents the core cultural industries that are the main focus of this book. They are cultural industries because **they deal primarily with the industrial production and circulation of texts**.

Box 0.1 The core cultural industries

The following industries are centrally concerned with the industrial production and circulation of texts and they therefore constitute what I want to call the core cultural industries for the purposes of this book:

- *Broadcasting*: the radio and television industries, including their newer cable, satellite and digital forms.
- *Film industries*: this category includes the dissemination of films on video, DVD and other formats and on television.
- *Music industries*: recording (which, of course, includes the recording of sounds other than music, but is for the most part centred on music) publishing⁶ and live performance.
- *Print and electronic publishing*: including books, online databases, information services, magazines and newspapers.
- *Video and computer games* or digital games as many commentators now prefer to call them.
- *Advertising, marketing and public relations*: compared with other cultural industries, advertisements and marketing artefacts tend to have a greater functional element as they are intended to sell and promote other products. Nevertheless, they are centred on the creation of texts and require the work of symbol creators (see Chapter 2 for a further discussion of how marketers fit into the cultural industries).
- *Web design*: most internet industries involve high-functionality dynamics, but the strong aesthetic element in web design arguably makes it part of the cultural industries sector.

All of these core cultural industries have their own dynamics and I discuss these at various points in the book, but one of the most salient contributions of work on 'the cultural industries' has been to see that these industries interact and interconnect with each other in complex ways. Largely, this is because they compete with each other for the same resources. The most significant of these resources are as follows (see Garnham, 1990: 158):

- A limited pool of disposable consumer income.
- A limited pool of advertising revenue.
- A limited amount of consumption time.
- Skilled creative and technical labour.

It is because of this competition for the same resources, as well as their shared characteristics as producers of primarily symbolic artefacts, that the cultural industries can be thought of as a sector or a linked production system (there are arguments in economic and business analysis about which term might be better, but these need not concern us here). This point is not always clearly understood, even by academic analysts.

6 While this term might seem to be about the printing of sheet music, music publishing concerns much more than this as it involves the ownership and control of the rights to musical compositions.

There is another set of cultural industries that I shall call 'peripheral'. These are important industries, and the term 'peripheral' is in no way intended to marginalise the benefits they can bring to a society, or the creativity of those involved in such work. There are two analytical reasons why I call them peripheral, and so deal with them somewhat less than the core industries. The first is that these industries reach fewer people in modern societies and therefore, other things being equal, are of lesser social and cultural influence than the core cultural industries. A reason for this lesser reach and potential influence can be found in the second factor for my categorisation of these industries as 'peripheral'. Like the core cultural industries, these more peripheral cultural industries are centrally concerned with the production of texts. But the reproduction of these symbols is based mainly on semi-industrial or non-industrial methods. Theatre, for example, has only recently begun to take on what might be called industrial forms of production and reproduction (see Chapter 7). The making, exhibition and sale of works of art (paintings, installations, sculptures) generate enormous amounts of money and commentary each year, but reproduction is limited, where it exists at all. The art prints industry limits reproduction artificially and uses laborious methods in order to add value to the prints.

I refer, in passing, to some of these industries, and I discuss theatre in Chapter 7. But in order to make this book readable – and writable – I have had to focus on a limited number of industries: the core cultural industries listed in Box 0.1. I recognise that the core and peripheral industries interact with each other in various significant ways. Actors and writers might work in television and theatre, for example, and art schools produce artists who might move in and out of various forms of commercial production, including film direction, advertising and music.

Borderline and problem cases

What kinds of industrial and business activity does my definition not include? As with all definitions of complex phenomena, there are several significant borderline cases.

- *Consumer electronics/cultural industry hardware* Making television programmes is based on an intentional act of cultural communication and would be included as a cultural industry in all definitions. But does the making of television *sets* constitute a cultural industry? The consumer electronics industries develop and make the machines through which we can experience texts. These industries are extremely important for understanding change and continuity in the cultural industries because they provide the hardware on and through which texts are reproduced or transmitted (hi-fi, television sets, MP3 and DVD players). These goods and others (fridges, microwave ovens) rely on the crucial input of designers and of often poorly paid assembly-line workers, but they are not centred on the production of primarily symbolic goods in the way

that the cultural industries are and so they fall outside what I consider to be a useful definition.

- *Information technology* The software industry has some notable parallels with the cultural industries. Creative teams work together to try and create distinctive outcomes, but the actual presentation of the software does not take the form of a text as defined above. Its functional aspects – to carry out certain computerised tasks – outweigh the aesthetic dimensions of its design. Engineers rather than artists and designers dominate. Computer hardware design and manufacture is more akin to the consumer electronics industry, and is excluded from my definition of the cultural industries for similar reasons.
- Some of the most difficult definitional issues surround *the internet industries*. Eli Noam (2009: 274–89) differentiates seven sub-industries, some of which are closely related to the IT and telecommunications industries: internet backbone infrastructure; internet service providers; broadband service; navigational software; search engines and web directories; web portals; internet telephony applications; and media player software. I follow Noam in treating these as separate from the cultural industries. But, for reasons explained above, I think it is valid to see web design as a cultural industry.

Noam treats media, information technology (which for him includes consumer electronics, though I would call this a separate industry), telecommunications and internet industries as inter-related parts of ‘the information sector’ (Noam, 2009: 5). This is a sensible move. Throughout this book, I shall consider the changing relationships between these groups of industries, and their complex dance of competition and collaboration.

To make this discussion more concrete, let me discuss how the IT and internet giants relate to the cultural industries. Is Google a cultural-industry company? My answer is no, because it is not really involved in the production of content or texts. All the same, like other institutions, it is extremely important for understanding the cultural industries. Google increasingly acts as a crucial gateway for content produced by cultural businesses. Its Google Books project makes available enormous amounts of cultural content that would otherwise be much more difficult to find. It is impossible to understand the contemporary advertising environment without knowing about search engines (see Chapter 9). But none of this means that it is a cultural industry organisation. Nor is Apple. Apple designs and markets devices that have affected the cultural industries profoundly, but it does not produce texts in the usual sense of the term discussed earlier. Microsoft is slightly different, because it commissions digital games – but this is only a tiny part of what it does. Amazon has become a crucial retailer for cultural industry products, and so, to a lesser extent has Apple (with its i-Tunes store). But Amazon is now a retailer of many products besides the cultural-industry products with which it built its brand.

Let me deal with one or two other borderline cases now.

- *Fashion* Fashion is a fascinating 'hybrid' of a cultural industry, in the sense that I use the term here, and a consumer goods industry. The high degree of balance between functionality and signification makes this a complex special case, made all the more interesting by distinctive forms of organisation (see McRobbie, 1998, for a valuable study).
- *Sport* Industries such as football (soccer) and baseball arrange for the performance of live spectacles that are, in many respects, very like the live entertainment sector of the cultural industries. People pay to be entertained in real time in the co-presence of talented or not-that-talented performers. But there are notable differences, even from live entertainment in the cultural industries. Sport is fundamentally competitive, whereas symbol making isn't. Texts (in the sense in which I use the term in this book) tend to be more scripted or scored than in sports, which are essentially improvised around a set of competitive rules.

I could go on for pages more, dealing with borderline cases, which share features with the cultural industries, but which are, I think, sufficiently different to merit separate treatment. I would hope though that by now my point will be clear enough: that I am focusing here on industries that are based on the industrial production and circulation of texts and centrally reliant on the work of symbol creators.

Some objections to the definitions and assumptions employed here

In this section, I deal with some problems that have been raised with the definition of the cultural industries that I and other analysts employ. For some analysts, the focus on symbolic creativity represents a problem. Keith Negus (2006: 201–2) has objected to my focus on symbolic creativity as the basis of a definition of the cultural industries on the grounds that creativity and the circulation of potentially influential meanings are just as much a feature of industries such as 'food, banking, tobacco, insurance' as, say, music and television. Negus is right to say that the cultural industries are not the only place where symbolic creativity takes place and I agree that symbol makers should not be fetishised as more special than the rest of us. And it is certainly true that cigarettes and bank accounts, like television programmes and songs, have cultural meaning.⁷ Yet, if we blur the distinction, it seems to me that we miss something vital. In order to understand cultural production adequately, we need to get at the *specificity* of the cultural industries. This means appreciating the difference between activities *centrally* involved with the production of artefacts that are *primarily* composed of symbols and other types of social

⁷ See also Mato (2009) for a particularly confused version of the argument that 'all industries are cultural'.

activity. Bankers, after all, are not like musicians, and the differences seem to me to be vital (see 'Why do the cultural industries matter?', above).

Another objection to the focus on symbol creators is that it marginalises the importance of other cultural workers. In its accounting practices, Hollywood traditionally differentiated 'above the line' workers (symbol creators) from 'below the line' craft and technical workers. Some have implied that 'above the line' workers are privileged, perhaps even 'bourgeois' while 'below the line' craft and technical workers suffer by comparison, and therefore to focus on symbol creators is to reproduce a version of class inequality (Mayer, 2011). But the situation is more complex than this. Many symbol creators are under-rewarded, under-employed, oppressed and exploited, and many un-named technical workers face relatively good conditions – partly because they tend more often to be unionised. The reason for the focus on symbolic creativity does not derive from any desire on my part to highlight a pampered creative elite and ignore oppressed technical and unskilled workers. It is based on the decision to understand conditions of cultural work in relation to the particular nature of that work, as the production of *culture*. In Raymond Williams's words, a sociological understanding of culture must concern itself with 'the social relations of its specific means of production' and 'with the ways in which, within social life, "culture" and "cultural production" are socially identified and distinguished' (Williams, 1981: 30–1). Objections to definitions of the cultural industries based on symbol making need to address debates about the definition and importance of culture in modern societies.

A leading cultural economist, David Throsby, has recently offered what he calls a 'concentric circles' model of cultural industries. This differs in fundamental ways from my model and definition, and I want to explain why I think it does not work. In a sense, my own definition is based on concentric circles too, with, at the centre, those industrialised forms of production that account for most cultural activity in modern societies, and, outside these, those semi-industrialised forms that account for less cultural experience. Throsby and I differ on what we put in the centre, and what we put on the periphery. Throsby puts in the centre those activities which, in his view, have the greatest ratio of creative to commercial goals. These are what he calls 'the core creative arts' (2010: 26): 'music, drama, dance, visual art, literature' (p. 91). These are then surrounded by another ring: other 'core industries' such as film, museums and galleries. The next layer out is 'the wider cultural industries of the media, publishing and so on' (p. 26), and then on the outside are cultural industries where the commercial content is highest, such as fashion and advertising. The idea is that 'creative ideas and influences in the core diffuse outwards through the concentric circles' (p. 26). This is based on the assumption that putting 'the pure creative arts at the centre provides a direct means of representing the core role of the arts in motivating and sustaining the entire cultural sector' (p. 27). Throsby gives the example of television scriptwriters, who are located at the core of the model, and sell their work to broadcasters located in the broader cultural industries circle.

I find this model, as presented in Throsby's book, sociologically strange. It is not at all clear to me why the 'pure arts' might be thought of as the principal source of creativity for the broader cultural industries. (Nor am I at all sure what the term 'pure' might mean in this context). The arts are one potential source of creative ideas, alongside many others, including not only symbol makers' own life experiences, but also existing products from commercial texts. So television scriptwriters may draw experiences from their childhood, their present life, and from the drama and the visual arts that are at the core of the model. But they are surely just as likely, in the contemporary world, to draw on ideas from industries and products that Throsby defines as 'commercial' and which therefore should be on the outside of the model. This might include existing television programmes, recent films the screenwriter may have seen, or even songs that they hear on the radio.

Nor is it clear to me why, in Throsby's characterisation, screenwriters are at the 'core', which is supposed to be occupied by drama, dance, the visual arts and literature. Aren't even freelance screenwriters, in a key sense, part of the broadcasting industry that Throsby places further out? To compound the problem, most of the industries that he puts at his core are divided between sectors that emphasise commercial goals and those which emphasise creative goals. This is well established in sociology of culture (Bourdieu, 1996, and Thompson, 2010, are just two of hundreds of examples). Some screenwriters might be operating in a highly subsidised 'arts' world, perhaps working on an avant-garde film project. Others might be employed by a major commercial institution and could be given a story idea to work on. Throsby seems to assume that creativity can only come from 'outside' commercial industries – surely an overly polarised conception of creativity and commerce.

Throsby makes clear that his intention is to defend the arts against what he sees as a marginalisation of them in work on the cultural industries. This is understandable, and I would absolutely want to defend public funding of the arts (see Chapter 5). But Throsby's model, which has been taken up by policymakers in the UK, seems to be based on some curious (mis)understandings of cultural production.⁸

ALTERNATIVE TERMS

Clearly, the term 'cultural industries' is a contested, difficult one and, as I have implied, its problems derive from the difficulty of defining 'culture'

⁸ According to Throsby, my division of core and peripheral industries is based on the idea that the peripheral industries are seen 'as a reflection of the tastes of a hegemonic cultural elite and hence are of less policy concern' (2010: 90, 104). But I simply don't see them in that way; my conceptualisation is not based on this populist conception of the arts as elitist. It is based on an understanding of the greater size and reach of the core cultural industries, not of their political, social or artistic value.

(not to mention ‘industry’). Given all these problems of definition, why not abandon the term ‘cultural industries’ altogether in favour of an alternative? A number of alternative possibilities can be discussed here:

- The cultural industries are often referred to interchangeably with the ‘media industries’, and my focus in this book is primarily (but by no means exclusively) with what might validly be called media industries. But the concept of media is not without its problems of definition either.
- Some analysts have used the term ‘information industries’ but in its most developed form, in a recent groundbreaking book by Eli Noam (2009), this concept of the information sector has been used to refer not only to the media industries (close to what I am defining as the cultural industries here) but also to the telecommunications, internet, and information and communication technology (ICT) sectors. In the way in which Noam develops the concept, this is a valuable move, because his analysis delineates the various industries that should be included in these categories, and outlines how the four sectors are related (though still separate).
- An informative book on *The Leisure Industries* (Roberts, 2004) deals with sport and tourism alongside what I am calling the cultural industries here.
- Business analysts often use the term ‘entertainment industries’ – especially in the USA.
- Without doubt, though, the most often preferred alternative to ‘cultural industries’ is *creative industries*. Many policymakers and some academic analysts now use this term. Chapter 5 provides an account of some of the problems associated with it. This includes a discussion of the ways in which policy labelled ‘creative industries’ has generally differed from policy labelled ‘cultural industries’.

Leisure, information, entertainment, media and creativity are all addressed in this book, but I prefer to use the term ‘cultural industries’ than the alternatives. The use of the term ‘culture’ draws attention to the historical importance of the cultural industries in affecting relations between culture and economics, texts and industry, meaning and function. What’s more, ‘cultural industries’ not only refers to a type of industrial activity, it also invokes a certain tradition of thinking about this activity. As my own approach draws on that tradition of thought (along with others) I outline it in the next section.

FROM ‘THE CULTURE INDUSTRY’ TO THE CULTURAL INDUSTRIES

The concept of cultural industries has its origins in a chapter by two German-Jewish philosophers associated with the Frankfurt School of Critical Theory, Theodor Adorno and Max Horkheimer (1977[1944]). Although the term may have been used before, ‘The Culture Industry’ was part of the title of a chapter in their book

Dialektik der Aufklärung (*Dialectic of Enlightenment*), which they wrote in the USA in the 1940s while in exile from Nazi Germany. The book was born out of a conviction that life in the capitalist democracy of the USA was, in its own way, as empty and superficial, if not quite as brutal and horrific, as life in the Germany they had fled. 'Culture Industry' was a concept intended to shock. Adorno and Horkheimer, like many other users of the term 'culture' in the nineteenth and twentieth centuries, equated culture in its ideal state with art, with special, exceptional forms of human creativity. For them, and for the tradition of Hegelian philosophy of which they were a part, art could act as a form of critique of the rest of life and provide a utopian vision of how a better life might be possible. In Adorno and Horkheimer's view, however, culture had almost entirely lost this capacity to act as utopian critique because it had become commodified – a thing to be bought and sold. Culture and Industry were supposed, in their view, to be opposites but, in modern capitalist democracy, the two had collapsed together. Hence, Culture Industry.⁹

By the late 1960s, it was clear that culture, society and business were becoming more intertwined than ever as transnational corporations invested in film, television and record companies and these forms took on ever greater social and political significance. Adorno, Horkheimer and other present and former members of the Frankfurt School became internationally prominent as left-wing students and intellectuals turned to their ideas to make sense of these changes. The term 'Culture Industry' became widely used in polemics against the perceived limitations of modern cultural life and was picked up by French sociologists (most notably Huet et al., 1978; Miège, 1979; Morin, 1962), as well as by activists and policymakers¹⁰, and converted into the term 'cultural industries'.

So why prefer the plural to the singular form? The distinction is revealing and more significant than may at first appear to be the case. The French 'cultural industries' sociologists rejected Adorno and Horkheimer's use of the singular term 'The Culture Industry' because it suggested a 'unified field' where all the different forms of cultural production that coexist in modern life are assumed to obey the same logic. They were concerned, instead, to show how *complex* the cultural industries are and to identify the different logics at work in various types of cultural production – how, for example, the broadcasting industries operated in a very different way from the press or from industries reliant on 'editorial' or publishing models of production, such as book publishing or the recording industry

9 Steinert (2003: 9) clarifies that Adorno and Horkheimer used the term in two different senses: 'Culture Industry' to refer to 'commodity production as the principle of a specific form of cultural production' and the culture industry to refer to a specific branch of production.

10 Internationally, the term was disseminated in policy circles through the United Nations Educational, Scientific and Cultural Organization (UNESCO), based in Paris. UNESCO sponsored a large-scale comparative international programme on the cultural industries in 1979 and 1980, which culminated in a conference in Montreal in June 1980, the proceedings of which were published in English as UNESCO (1982).

(see Miège, 1987). As a result, they preferred the plural term 'industries culturelles'.¹¹

The cultural industries sociologists rejected the approach of Adorno and Horkheimer on other grounds, too, as the leading writer in this tradition, Bernard Miège (1989: 9–12), made clear in the foreword to a translated collection of his work.¹² First, they rejected Adorno and Horkheimer's attachment to pre-industrial forms of cultural production. Following other critics of the Frankfurt School, including Adorno's friend and contemporary Walter Benjamin, Miège argued that the introduction of industrialisation and new technologies into cultural production did indeed lead to increasing commodification, but that it also led to exciting new directions and innovations. The commodification of culture, then, was a much more *ambivalent* process than was allowed for by Adorno and Horkheimer's cultural pessimism. (As we shall see in the next chapter, this is an insight shared by some cultural studies approaches.) Second, rather than assuming that the process of commodification of culture has been a smooth, unresisted one, the cultural industries sociologists were concerned with the limited and incomplete nature of attempts to extend capitalism into the realm of culture. They saw the cultural industries, in other words, as *contested* – a zone of continuing struggle – whereas there is a constant sense in Adorno and Horkheimer that the battle has already been lost, that culture has been already subsumed both by capital and by an abstract system of 'instrumental reason'.

These modifications of Adorno and Horkheimer's Culture Industry thesis are real advances. The point here is not simply to show that two German intellectuals writing in the middle of the twentieth century got it wrong. Adorno and Horkheimer are interesting, amongst other reasons, because they provided a highly sophisticated version of a mode of thinking about culture that is still common today. Newspaper commentators can often be read or heard dismissing industrialised culture as debased. Writers, teachers and students often lapse into a pessimism similar to that of the Culture Industry chapter, even while they enjoy and feel enriched by many of the products of the cultural industries. Adorno and Horkheimer provide the fullest and most intelligent version of the extreme, pessimistic view of the industrialisation of culture. For Miège and others, however, even this intelligent version of cultural pessimism is lacking. Abandoning extreme pessimism is not the same thing as complacently celebrating the cultural industries as they are. The key words, to repeat, are *complex*, *ambivalent* and *contested*. These terms drive my efforts to explain and assess the cultural industries in what follows. Using the term 'cultural industries' signals not only an awareness of the problems of the industrialisation of culture, but also a refusal to simplify assessment and explanation.

11 Many writers (such as Lash and Urry, 1994, and Garnham, 2000 – though not Garnham, 1990) use the term 'culture industries'. The difference is trivial, but I prefer 'cultural industries' because it symbolises the move beyond the Frankfurt School approach.

12 This poorly edited translation forms the most important source in English of Francophone sociological work on the cultural industries, but see also Lacroix and Tremblay (1997).

INDUSTRIES THAT MAKE TEXTS: THE DISTINCTIVE FEATURES

In light of the work by Miège and others – including, most notably, Garnham (1990) – it is possible to outline the distinctive features of the cultural industries, as compared with other forms of capitalist production. These are summarised in Box 0.2.¹³ The first four features are the distinctive *problems* faced by the cultural industries and the next five features are the most common *responses*, or attempted solutions, undertaken by cultural industry businesses. These distinctive features have key implications for the rest of the book. They help to explain recurring strategies of cultural industry companies in terms of how they manage and organise cultural production. They indicate potential causes of change. They help us to understand the constraints facing those who want to work as symbol creators or set up their own independent and/or alternative cultural organisations. They also provide a way of understanding the differences *between* cultural industries, in that certain features are more apparent in some industries than in others, or the same features take somewhat different forms.

Box 0.2 Summary of distinctive features of the cultural industries

Problems:

- Risky business.
- Creativity versus commerce.
- High production costs and low reproduction costs.
- Semi-public goods; the need to create scarcity.

Responses:

- Misses are offset against hits by building a repertoire.
- Concentration, integration and co-opting publicity.
- Artificial scarcity.
- Formatting: stars, genres and serials.
- Loose control of symbol creators; tight control of distribution and marketing.

¹³ A number of other writers have attempted to define the characteristics of those industries that are involved primarily in the production and circulation of symbolic goods, even if they do not use the term ‘cultural industries’. Many of these are ultimately consistent with the terms used by Garnham in his classic outline of the terrain (Baker, 2002, Caves, 2000, and Grant and Wood, 2004, are notable examples). My own outline here is distinctive in presenting these characteristics as a set of problems and attempted solutions or responses.

Risky business

All business is risky, but the cultural industries constitute a particularly risky business (the title of a book on the film industry by Prindle, 1993 – presumably named in homage to the enjoyable 1983 film starring Tom Cruise) because they are centred on the production of texts that can be bought and sold. For Garnham, influenced by Bourdieu (1984), this *risk* derives from the fact that audiences use cultural commodities in highly volatile and unpredictable ways, often in order to express the view that they are different from other people (Garnham, 1990: 161).¹⁴ As a result, fashionable performers or styles, even if heavily marketed, can suddenly come to be perceived as outmoded and, equally, other texts can become unexpectedly successful. These risks, which stem from consumption, from the ways in which audiences tend to use texts, are made worse by two further factors related to production. First, as we saw earlier, companies grant symbol creators a limited autonomy in the hope that the creators will come up with something original and distinctive enough to be a hit. But this means that cultural companies are engaged in a constant process of struggle to control what symbol creators are likely to come up with. Second, any particular cultural industry company (Company A) is reliant on other cultural industry companies (B, C, D, and so on) to make audiences aware of the existence of a new product or of the uses and pleasures that they might get from experiencing the product. Even if Company A actually owns Company B or F, they can't quite control the kind of publicity the text is likely to get because it is difficult to predict how critics, journalists, radio and television producers, presenters, and so on are likely to evaluate texts.

All these factors mean that cultural industry companies face special problems of risk and unpredictability. Here are some statistics:

- Nearly 30,000 albums were released in the USA in 1998, of which fewer than 2 per cent sold more than 50,000 copies (Wolf, 1999: 89).
- Eighty eight hits in 1999 – 0.03 per cent of releases – accounted for a quarter of US record sales (Alderman, 2001).
- Neuman (1991: 139) quotes a rule of thumb in publishing that 80 per cent of the income derives from 20 per cent of the published product.
- Bettig (1996: 102) claims that, of the 350 or so films released each year in the USA at the time of his study, only 10 or so will be box office hits.
- Driver and Gillespie (1993: 191) report that only one-third to one-half of UK magazines break even and only 25 per cent make a profit.
- According to figures cited by Moran (1997: 444), about 80 per cent of the 50,000 book titles published in the USA each year in the mid-1980s were financial failures.

Nevertheless, across the cultural industries as a whole, this risk is successfully negotiated by the larger companies:

¹⁴ Even if we do not think of the problem in this way, it is clear that the consumption of texts is likely to be highly subjective and arational.

- Television profits have traditionally run at a rate of 20 per cent of sales, according to Neuman (1991: 136).
- Compaine (1982: 34, cited by Neuman, 1991: 136) claims that profits from motion pictures tend to run at 33 to 100 per cent higher than the US average.

Profits, though, are highly variable, depending on the degree of competition within and across industries:

- Dale (1997: 20) samples figures from 1992 showing the following profit margins (operating income divided by sales) in different industries:
- cable, 20 per cent;
- broadcast television, nearly 17.5 per cent;
- the press and books, around 12 per cent;
- music, network television and magazines, just under 10 per cent;
- film and advertising agencies, in the high single digits.
- Film industry profits fell from an average of 15 per cent in the 1970s to about 10 per cent in the early 1980s, then to around 5–6 per cent in the late 1980s, before making a recovery in the early 1990s (Dale, 1997: 20).
- In the early 2000s, the majors that dominate the cultural industries showed either very high temporary losses, reflecting the huge costs of mergers or investment, or poor profit rates: less than 5 per cent at Disney and less than 3 per cent at Viacom in 2002 (Grant and Wood, 2004: 100).

The cultural industries, then, can be highly profitable in spite of the particularly high levels of risk many businesses face, but it may be difficult to achieve high levels of profit for individual companies.

Creativity versus commerce

The account in the previous section may have made it sound as though symbol creators work under relatively autonomous conditions in the cultural industries because this relative autonomy is generously granted to them by companies. The reality, however, is more complicated. Such autonomy is also a product of historical understandings of the nature of symbolic creativity and knowledge, in particular, the view that they are not readily compatible with the pursuit of commerce. Romantic conceptions of art in 'Western' societies established the idea that art is at its most special when it represents the original self-expression of a particular author. At one level this is a mystification, so to set creativity too strongly against commerce – as a great deal of romantic and modernist thought about art did – is wrong. Creators need to be paid and some of the most eye-opening, thought-provoking, funny and lovely works have been produced as part of a commercial system. However dubious the romantic conception of opposing creativity and knowledge to commerce may be, it has had the long-term effect of generating a set of tensions which are vital to understanding the cultural industries. The creativity/commerce dialectic helps to generate the relative and provisional autonomy

that many symbol makers attain. It also adds to the uncertainty and difficulty of the environment in which cultural businesses work. Parallels exist in other fields. There are tensions in science and engineering, for example, between the goal of making knowledge publicly available and gaining financial advantage from that knowledge. But it is impossible to understand the distinctive nature of cultural production without an understanding of the commerce/creativity dialectic. I explore these issues further in Chapters 2 and 7.

High production costs and low reproduction costs

Most cultural commodities have high fixed costs and low variable costs: a record can cost a lot to make because of all the time and effort that has to go into composition, recording, mixing and editing to get the right sound for its makers and their intended audience, but once ‘the first copy’ is made, all subsequent copies are relatively cheap to reproduce. Digitalisation has only amplified this feature. The key point here is the *ratio* between production and reproduction costs: nails, for example, have a low design input, making the first copy cheapish to produce and each further copy costing not much less. This produces a very different kind of market from that which prevails in the cultural industries. Cars are more like the texts that the cultural industries produce, but are still substantially different. The prototype of a car is extremely expensive, with enormous amounts of design and engineering input, and the costs of each new car built from the prototype are very expensive, too, because of the materials and safety checks required. So, even though the fixed costs are high, the ratio of fixed costs to variable costs is relatively low. The much higher ratio of fixed costs to variable costs in the cultural industries means that big hits are extremely profitable. This is because, beyond the break-even point, the profit made from the sale of every extra unit can be considerable,¹⁵ compensating for the inevitably large number of misses that come about as a result of the volatile and unpredictable nature of demand. This leads to a very strong orientation towards ‘audience maximisation’ in the cultural industries (Garnham, 1990: 160).

Semi-public goods

Cultural commodities are rarely destroyed by use. They tend to act like what economists call ‘public goods’ – goods where the act of consumption by one individual does not reduce the possibility of consumption by others. If I listen to a CD, for example, that doesn’t in any way alter your experience of it if I pass it on to you. The same could certainly not be said of my eating a pie. Using a car diminishes its value for another user much more than watching

¹⁵ Those cultural industries that do not sell goods directly to customers, most notably broadcasting and, increasingly, internet content, work in different but related ways. In them, the extra unit is that of audiences, which are then ‘sold’ on to advertisers. See Chapter 9 for a discussion of some of the implications of this for digital media.

a DVD does the DVD. What is more, the means of industrial reproduction of cultural goods are relatively low in cost. This means that firms have to achieve the scarcity that gives value to goods by limiting access to cultural goods and services by artificial means (see below).

How, then, do cultural industry businesses attempt to respond to the particular set of issues facing them as they attempt to make profit and generate capital from the production of culture?

Misses are offset against hits by building a repertoire

This extra emphasis on audience maximisation means that, in the cultural industries, companies tend to offset misses against hits by means of 'over-production' (Hirsch, 1990[1972]), attempting to put together a large catalogue or 'cultural repertoire' (Garnham, 1990: 161) or, to put it another way, 'throwing mud' – or other similar substances – 'against the wall' to see what sticks (Laing, 1985: 9; Negus, 1999: 34). If, as Garnham suggests, one record in every nine is a hit and the other eight are misses, then a company issuing five records is less likely to have sufficient hits to keep it afloat than another company with a repertoire or catalogue of 50 record releases. This is one of the pressures towards achieving greater size for cultural companies, though there are countervailing tendencies that favour smaller companies. Much has been made in recent years of the idea of *the 'long tail' thesis* (Anderson, 2006): the idea that commerce will be increasingly oriented towards providing goods for niche products with a relatively small demand, but which collectively sustain businesses, because digitalisation allows for lower distribution costs. In fact, as we shall see in Chapter 9, there is evidence that the 'long tail' thesis is faulty. Attention and revenue still tend to be heavily concentrated in hits, or the most successful and popular cultural products.

Concentration, integration and co-opting publicity

Cultural industry companies deal with risk and the need to ensure audience maximisation by using strategies that are also apparent in other sectors.

- **Horizontal integration** They buy up other companies in the same sector to reduce the competition for audiences and audience time.
- **Vertical integration** They buy up other companies involved in different stages of the process of production and circulation. Companies might buy 'downstream', such as when a company involved in making films buys a DVD distributor, or 'upstream', which is when a company involved in distribution or transmission (such as a cable television company) buys a programme-maker.
- **Internationalisation** By buying and partnering other companies abroad, corporations can sell massive amounts of extra copies of a product they have already paid to produce (though they will have to pay new marketing costs, of course).

- **Multisector and multimedia integration** They buy into other related areas of cultural industry production to ensure cross-promotion.
- Also important is the attempt to 'co-opt' (Hirsch, 1990[1972]) critics, DJs and various other people responsible for publicising texts, by socialising with them and sending them gifts, press releases, and so on.

Such forms of integration have led to the formation of bigger and more powerful companies. Nearly all major industries – from aluminium to biochemicals to clothing – are dominated by large companies. There is only limited evidence that the cultural industries have higher degrees of industry *concentration* than other industries. Arguably, though, the consequences of not succeeding in growth and integration are greater in the cultural industries than in many other industries because there is a very high failure rate for smaller companies. This, in turn, is explained by the fact that small cultural companies are unable to spread risk across a repertoire. Crucially, the consequences of this size and power are unique to the cultural industries because of the ability of the goods they produce – texts – to have an influence on our thinking about their operations, about all other industries and, indeed, potentially, about all aspects of life.

Artificial scarcity

Garnham (1990: 38–9, 161) identified a number of ways in which scarcity is achieved for cultural goods (which, as we saw above, because they often show public good features, tend not to be scarce). Primary among them is vertical integration. The ownership of distribution and retail channels allows companies to control release schedules and ensure the adequate availability of goods. Just as central, however, are:

- advertising, which limits the relative importance for profits of the *sale* of cultural goods;
- copyright, which aims to prevent people from freely copying texts;
- limiting access to the means of reproduction, so that copying is not easy.

Formatting: stars, genres, serials

Another way for cultural industry companies to cope with the high levels of risk in the sector is to minimise the danger of misses by *formatting* their cultural products (Ryan, 1992).¹⁶ One major means of formatting is **the star**

¹⁶ The term 'format' is widely used in the television industry to refer to the concept of a particular programme, such as *Who Wants to be a Millionaire?*, *Big Brother* or *Jeopardy*. This is often developed in an initial market and then sold as a copyrighted idea (rather than as a programme) in overseas markets (see Moran and Keane, 2004). That is not the sense in which Ryan uses the term, but this strategy can be understood as a way of attempting to spread the high fixed costs associated with developing a programme idea and reaping the reward from the relatively low variable costs.

system – associating the names of star writers, performers and so on with texts. This involves considerable marketing efforts, in order to break a writer or performer as a new star or ensure the continuation of a star's aura. This type of formatting is reserved for privileged texts that cultural industry companies hope will become big hits. The importance of the star system can be indicated by the following statistic: of the 126 movies that made more than US\$100 million at US box offices in the 1990s, 41 starred one or more of just seven actors: Tom Hanks, Julia Roberts, Robin Williams, Jim Carrey, Tom Cruise, Arnold Schwarzenegger and Bruce Willis (Standard & Poor's *Movies and Home Entertainment Industry Survey*, 11 May 2000: 14).

Another crucial means of formatting is the use of **genre**, such as 'horror film', 'hip hop album', 'literary novel'. Genre terms operate as labels, not unlike brand names, that suggest to audiences the kinds of satisfaction and reward they might attain by experiencing the product. The terms might not be universally understood and also might not even be explicitly used, but the key thing here is that a type of cultural product is suggested and associated with particular uses and pleasures. Many cultural products promoted and publicised primarily via the use of genre also carry author names, but until the author becomes a star, genre is paramount.

Finally, the **serial** remains a major type of formatting, especially where authorship and genre are less significant. This has been an important aspect of publishing – popular fiction, comics, and so on. Hollywood relies more than ever on sequels and prequels: 27 sequels and prequels were listed in the US cinema release schedule for 2011 as it stood in January of that year – more than in any previous year (Gray, 2011).

Loose control of symbol creators; tight control of distribution and marketing

In discussing symbol creators earlier, I pointed out that symbol creators are granted considerable autonomy within the process of production – far more, in fact, than most workers in other forms of industry. There are cultural reasons for this (namely, long-standing assumptions about the ethical desirability of creative autonomy, which derive from the romantic conception of symbolic creativity, and traditions of free speech) as well as economic and organisational ones. Managers assume that major hits and the creation of new genre, star and series brands require originality. Symbol creators are usually overseen from a certain distance by 'creative managers' (Ryan, 1992), such as editors or television producers, who act as intermediaries between the creators and the commercial imperatives of the company. Those symbol creators who become stars – their names promising certain experiences – are rewarded enormously, but most creative workers exist in a vast reservoir of underused and under-resourced talent, picking up work here and there. In many cases, production will actually take place under the auspices of a separate, independent company. Such 'independents' – often, in fact, tied to larger companies by financing, licensing and distribution deals – are to

be found in abundance in the cultural industries, mainly because symbol creators and some audiences are suspicious of the bureaucratic control of creativity, again reflecting ingrained cultural assumptions about art and knowledge. In order to control the risks associated with managing creativity, senior managers exert much tighter control over reproduction, distribution and marketing – what I will call **circulation** – than they do over production. In many cases this is achieved by means of vertical integration.

An objection might be made to a characterisation of the distinctive features of the cultural industries, such as the one above, that some of these features will be shared with other industries. Such an objection entirely misses the point: it is the *collective* nature of these characteristics that matters.¹⁷ Nor, as I stressed earlier, does the fact that cultural industry businesses are linked to other sets of industries and other businesses invalidate the idea that there are useful if provisional and porous boundaries to be drawn around the sector. Analysing these distinctive features collectively helps us to understand the production and consumption of culture. The key point, however, is that whether they do so successfully or not, **cultural industry companies respond in particular (though variable) ways to perceived difficulties of making profits** and these distinctive dynamics play an important role in the account of change and continuity in this book.

AUTHOR TO READER

I outlined at the beginning of this Introduction why I think the cultural industries matter: the power they have to influence people, the varied ways in which they manage the work of symbol creators and their role in bringing about more general industrial, social and cultural change. Relating the fundamental concerns of the book to my own personal background may help to make them more concrete. I hope this will provide some context for the particular approach I take to the cultural industries, the approach developed in this book.

As a teenager, I was infuriated by what I perceived as the lies and distortions of television, and of the ultraconservative newspapers my parents read (typically for a certain section of the Northern English, working class/lower middle class). *The Daily Mail* and *Sunday Express* seemed constantly to be attacking anyone who was trying to achieve social justice in Britain in the late 1970s – trade unions, feminists, anti-racist activists. They wrote as if the British role in Northern Ireland was one of making peace between tribal

¹⁷ Other industries have been analysed for their distinctive characteristics and Caves (2000: 1) usefully summarises some examples, such as the pharmaceuticals industry, which is marked by the particular intensity of competition over innovation; chemical process industries, by rivalry over the installation of new capacity; and food processing, by product differentiation and the rise of dominant brands.

factions. Even at 15, I knew enough about Irish history to find this difficult to accept. These newspapers were also decidedly lukewarm in their condemnation of far-right neo-Nazi groups, whose graffiti was all over the town where I grew up, directed at the British South Asian community there. It seemed to me, right from my teens, that the cultural industries had a role in maintaining power relations and distorting people's understanding of them.

My other main relationship to the media and popular culture was as a fan, and a fan I remain. Even if some media seemed to take a stance against most of the people and political positions I respected, there was plenty of exciting, interesting and funny popular culture around. I still find this to be the case today, so I cannot accept the view of the cultural industries to be found in some writing on the subject – that they are simply a monstrous system for the maintenance of conformity. In the late 1970s and early 1980s, the musical genre of punk seemed to me to embody the most remarkable creative energy. Suddenly, the emotional range of my small record collection was massively expanded: music could be shocking or coolly detached; intelligent or belligerent; hilarious or deadly serious. Punk musicians were always talking about the music industry and were often arguing that it could be changed, to make creativity more widespread and to make sure that more of the money went to those creating the music.

My sense of the importance (and ambivalence) of media and popular culture eventually led me to a career in teaching, where I was fortunate enough to meet dozens of students who were prepared to share their perspectives with me. My love of US popular culture (particularly classical and Movie Brat Hollywood cinema, black music and Jewish comedy) and my fascinated loathing for the US government's role in global geopolitics took me to the outskirts of Chicago for a postgraduate degree. Teaching and learning provided the impulse to write this book, but it's also informed by my experience, over the last few years, of researching and writing about the cultural industries. There is an assumption among many academics that the most prestigious books will necessarily be more or less incomprehensible to students. I've worked hard to make this book interesting and useful for other teachers and researchers, but I've also endeavoured to make it accessible for students, by explaining difficult concepts as they arise and trying to get across why I think the issues I'm dealing with matter. I've had to assume some knowledge of and interest in the topic, but I've also tried not to assume too much.