

Is creation an industry?

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Abstract

This article asks whether there are economic grounds to treat the Cultural and Creative Industries as an economic sector or, more precisely, an industry. On the basis of this enquiry, it constructs a grounded theoretical economic framework for predicting their effects and assessing policy towards them.

The cultural and creative industries produce a common product type - *culturally-differentiated products* with a common resource – *creative labour* – in a distinct type of industrial organisation that can produce to *abstract and imprecise specifications*.

This branch of the division of labour has undergone explosive growth and extensive specialisation – becoming an industry – as a result of the remote and multiple delivery of services, which has for the first time made possible the indefinite expansion of *service delivery* productivity previously restricted by the need for face-to-face contact. This has generated a new technological paradigm, spanning a variety of previously distinct activities, to create a homogenous whole with a new structure of industrial organisation.

I finally argue that the concept of a cultural and creative industry, thus defined, better captures the emerging economic reality that we have inherited from the last century than the contradictory and inadequate categories of the ‘knowledge economy’ and the ‘information economy’ that have dominated late 20th Century discourse on the shape of the modern economy. These are based on the erroneous idea of amalgamating two superficially similar but essentially opposed activities: the *mechanical* transmission or *automatic* processing of electronic data by inanimate devices, and the *creative organisation of social relations* by human agency.

I propose that the concept of cultural and creative industry should progressively replace the inferior notion of knowledge or information economy, in order to understand the shape of the world economy now in the making.