

A CREATIVE CRISIS? LINKING THE EUROPEAN CAPITAL OF CULTURE AND CREATIVE INDUSTRIES

PETER CAMPBELL - UNIVERSITY OF LIVERPOOL¹ (UNITED KINGDOM)

Introduction

This paper examines some aspects of the relationship between 'creative industries' and the European Capital of Culture (ECoC) programme, focusing on research carried out around the city of Liverpool's tenure as ECoC in 2008. It demonstrates how, in concert with broader trends, the Liverpool ECoC is in part presented as being intimately linked with creative industries growth, and how such growth is assumed to be of particular benefit in times of economic crisis. The paper goes on to suggest, however, that this model of a strong, beneficial link is a problematic one; not only may the ECoC not be strongly related to the operation of creative industries, but the benefits which creative industries are assumed to bring may also be in need of further scrutiny. Without such scrutiny, the prevalent discourse of a link between the ECoC and creative industries may bring about crises of its own.

1. Creative Industries and the ECoC

Whilst there are many difficulties presented in defining just what it is that is 'creative' about the creative industries², the one thread running through all attempted definitions³ is that pursuits which can comfortably be deemed 'cultural' comprise the majority of the activities which come under this title. As I have discussed in greater detail elsewhere⁴, it is perhaps, therefore, unsurprising that the rationale for hosting a cultural festival such as an ECoC is often framed in terms of the beneficial impact upon creative industries within a host city. In their retrospective study of ECoCs, for example, PalmerRae Associ-

¹ This paper is based on research carried out as part of an AHRC/ESRC Impact Fellowship in Cultural Policy and Regeneration. See: <http://www.ahrc.ac.uk/FundedResearch/Pages/ImpactFellowshipinCulturalPolicyandRegeneration.aspx>.

² E.g. Banks and O'Connor (2009), Campbell (2011a), Flew and Cunningham (2010)

³ E.g. KEA European Affairs (2006), UNESCO (2009), Work Foundation (2007)

⁴ Campbell (2011b)

ates find “an expansion of creative industries and jobs”⁵ to be one of the goals which cities hosting the ECoC express most often.

1.1. *Why would creative industries growth be desired?*

It is not merely the case, however, that activity within creative industries is seen as being a close relation to the cultural activity of the ECoC. The desire in ECoC host cities to expand the creative sector can be situated in the context of a more general trend from 1990 onwards towards focusing on the potential power of the ECoC to promote “urban regeneration”⁶ and to improve the socio-economic conditions of cities, via a more instrumental use of culture⁷. Creative industries are seen as being particularly valuable to this end, and particularly flexible – this understanding of the creative sector aligns with theories around the emergence of a ‘new’ economy towards the end of the 20th century, no longer reliant on the physical resources of place and by some accounts especially ‘creative’ in character⁸. Politically, the creative industries are, therefore, discussed as being particularly useful for economic development. In the UK, creative industries were initially posited in the 1990s by government ministers as constituting the site where “the wealth and the jobs of the future”⁹ would be found and, similarly, in the 21st century have been characterised as being “increasingly vital” and “well placed for continued growth”¹⁰. At the European level, such industries are characterised as having a particularly useful role to play in dealing with economic crisis¹¹. This general picture can be placed in the context of Van Heur’s assessment that all policy documents pertaining to this area are based on “the assumption that creativity will become increasingly important” as we move towards a “knowledge-based economy”¹¹.

1.2. *Linking Liverpool ‘08 with creative industries*

The UK cities which bid to be nominated ECoC followed this general pattern of placing a special value on economic regeneration and, re-

⁵ PalmerRae (2004):103

⁶ García (2005):843

⁷ *Ibid.*:846

⁸ Cf. Garnham (2005)

⁹ Smith (1998):31

¹⁰ DCMS *et al.* (2008):6

¹¹ Van Heur (2010):129, original emphasis

lated to this, creative industries¹². To consider the case of the city which won this nomination, as time has now passed since Liverpool's tenure as ECoC, it is possible to ascertain not only how the operation of creative industries was, in part, used to make the case for the benefits the ECoC would bring to Liverpool, but also that the successful operation of creative industries has subsequently been positioned prominently within the wider narrative around what benefits the ECoC indeed did bring to Liverpool.

1.2.1. Before 2008

In documents produced by Liverpool's bidding organisation, the Liverpool Culture Company, a number of references are made to the economic benefits the ECoC programme may have, particularly with regard to the operation of creative industries. For instance, the award is positioned as having the potential to make the city a "key destination" for "cultural, creative and tourism businesses"¹³, to create "an attractive environment for cultural businesses and creative people"¹⁴, and to engender "new products, innovations and businesses"¹⁵, and the "creative industries" themselves are directly referenced¹⁶. Similarly, consultancy documents commissioned by the local city council outline the potential benefits to employment levels in creative industries presented by the ECoC¹⁷. Clearly, positions such as these align strongly with theories regarding the special role creativity may play in urban regeneration, and the ECoC is positioned here as being particularly useful in leveraging these benefits¹⁸.

1.2.2. After 2008

After 2008, the general narrative around the value of creativity and its alignment to cultural policy has expanded to include Liverpool '08 as an example of an ECoC as a successful 'investment' in creative

¹² Griffiths (2006):427

¹³ Liverpool Culture Company (2002):1004

¹⁴ *Ibid.*:301

¹⁵ *Ibid.*:302

¹⁶ *Ibid.*:303

¹⁷ Jones and Wilks-Heeg (2004):350

¹⁸ For a more detailed discussion of the theories and discourses in play in making this linkage, see Campbell (2011b)

industries. At the European level, for example, we can identify statements such as this:

Cultural and creative industries also contribute to the competitiveness and social cohesion of our cities and regions. European Capitals of Culture such as Lille, Liverpool and others show that investing in this sector creates jobs and helps transform the image of cities.¹⁹

Similarly, within the UK, ministers from the major political parties have emphasized the link between Liverpool's ECoC and growth in the creative sector²⁰, with current Prime Minister David Cameron noting that "jobs in the creative industries increased by half" as a result of the ECoC award²¹. At the local level, Liverpool's 'Cultural Strategy' continues this narrative of a strong link between cultural activity and economic regeneration, with creative activity playing a special role²².

2. Some difficulties with this link

Despite the strength of the discourse around a strong, beneficial link between the ECoC and creative industries, however, evidence suggests both in the Liverpool case²³, and more broadly²⁴, that there is in fact little tangible investment within the creative industries by ECoC cities, and that creative industries within ECoC cities do not experience the strong link with the ECoC programme that this narrative suggests, placing the beneficial role of the ECoC under question.

We can see from the quote given above, however, that it is argued that it is not only in 'creating jobs', but also in 'transforming the image of cities' that the ECoC and creative industries do important work. It is arguably the case, then, that in creating a more cultural image around Liverpool that the 2008 ECoC may eventually result in economic benefit and thus 'regeneration'. Less recent cultural policy interventions, however, demonstrate further difficulty in assuming such image enhancement will result in economic value for the city generating this image.

¹⁹ europa.eu/rapid/pressReleasesAction.do?reference=IP/10/466&format=HTM

²⁰ Burnham (2009), Hodge (2010)

²¹ Cameron (2010)

²² Campbell (2011a)

²³ Campbell (2011b), Impacts 08 (2009)

²⁴ PalmerRae (2004):103

In Liverpool, for example, the issue of potentially linking cultural policy to economic regeneration was previously discussed by the local city council in the 1980s²⁵. To take one pertinent case, of the local popular music group Frankie Goes To Hollywood²⁶, who for the purposes of this aspect of discussion notably recorded an album entitled 'Liverpool', an early "Arts and Cultural Industries Strategy" for the city notes that, "...for example, none of the £250m earnings from Frankie Goes To Hollywood's first album benefited the local music industry in Liverpool"²⁷. There is scant evidence, however, that in the intervening twenty years this situation has been successfully tackled in any significant way, or that current cultural policy actually seeks to intervene with regards to establishing a more complete value chain to extract economic value from the creative activity it purports to promote. In programmes such as the ECoC, policy generally intervenes on the justification of boosting the cultural aura around a particular geographic location, and this is seemingly expected in and of itself to create a number of positive externalities, yet there is little indication given of how these may come about, other than an assumed coalescence of all things 'creative', which is highly questionable²⁸.

2.1. *Image vs. Economy*

In interviews carried out with entrepreneurs in the creative industries working in Liverpool during the city's ECoC programme, similar issues to those above were raised in some quarters. In terms of the operations of the popular music industry, for example, with which Liverpool has a notably strong symbolic relationship, consider this response:

Music/Performing Arts (1)²⁹: I think there's something about the emotional and psychological makeup of the artistic community here that is all about creation, and finds the nuts and bolts side boring. [...] I think we all found the company side of the record company too boring for words, the thing of being

²⁵ Parkinson and Bianchini (1993):162

²⁶ As a gauge of their popularity, Frankie Goes To Hollywood's 'Relax' ranks 6th in the chart of best-selling singles in the UK, and holds the record for the longest time spent by a single in the UK top 40. (www.everyhit.com)

²⁷ Liverpool City Council (1987):7

²⁸ Campbell (2011b)

²⁹ Quotes from interviews with local entrepreneurs are labeled here by their creative industries subsector, and an identifying number to distinguish different individuals within these subsectors

the person that deals with the invoices, and people, and as soon as an offer came in from a record company, [a major record label] set up the licence and repertoire division, and they signed up 40% of the independent record market, and that took the business side away, which meant we could concentrate on recording – but not generally in Liverpool. So, did that benefit Liverpool? Maybe not.

Again, the 'cultural' aspect of creative activity, and that which is most likely to be promoted by a festival such as the ECoC may well be embedded in the city of Liverpool, but the economic value drawn from this activity can easily be realised elsewhere. Also in the world of music, we can consider this response which is fully supportive of the image of Liverpool as a dynamic cultural city of the kind that would help to engender creative activity and industries:

Music/Performing Arts (2): I wasn't an academic, I wasn't going to be a lawyer or a doctor, I saw Berlin in Liverpool. And thought 'this place is amazing, it's got a soul, it breathes, it's got character, it's a well.'

This interviewee went on to conclude the discussion of these issues with, however, the following caveat:

Music/Performing Arts (2): Our offices are in [another city], as it happens. My business premises are in [another city] but I managed to understand that I can keep a profile through my personal brand name.

In these cases, the picture of how the local operation of creative industries is actually of benefit to a locality in terms of 'regeneration' becomes more opaque. If an ECoC is focused primarily on purely cultural activity, it may be useful to consider Henwood's take on the division of income within the creative industries: "the illusion-spinners are not the prime reward-getters – senior managers and stockholders are"³⁰. These senior managers and stockholders, however, may often reap these rewards in locations quite different to those which cause the original illusions to be spun. Clearly, this raises certain difficulties for policies which place emphasis on cultural creativity at the individual level and posit individual entrepreneurship as a particularly valuable activity³¹.

³⁰ Henwood (2005):165

³¹ e.g. DCMS *et al.* (2008):13

2.2. *The peripheral vs. the central*

Whilst it may, therefore, be the case that creative industries are notionally less reliant on place and can theoretically operate from any location, it seems that they continue to be dominated by activity in a small number of locations, in a small number of companies³², or that cultural value generated in one location may easily be translated into economic value in a different location. London's dominance of the creative industries within the UK, for example is well-known; a recent London Development Agency report states that, "when its surrounding regions are included London can be seen to provide nearly 60% of UK creative employment"³³. As this report also notes, however, "a critical mass effects [sic] matters: in such cities [as London] one may find an audience for almost anything". Relatedly, Scott finds that,

Participation in cultural-economic activities is based upon dense networks of producers combined with a dependence on complex local labour markets [...] these geographic underpinnings are decisive for understanding the processes of creativity and innovation in the cultural economy³⁴

Whilst the cities which host the ECoC may hope to use the award to bring about economic 'regeneration', therefore, and hope to leverage in the operation of creative industries to achieve this, in terms of successful business operation in the bulk of the creative industries, density matters, audience matters, and so size matters. What is possible in world cities such as London, with a population of 7 million, or New York with a population of 19 million, is unlikely to be feasible in a city such as Liverpool with a declining population of just over 400,000, or in a number of other ECoC host cities hoping to leverage in the power of culture to improve their economic circumstances. This is particularly problematic given the 'winner-takes-all' characteristic of some creative businesses³⁵.

³² Christopherson (2008):76

³³ London Development Agency (2008):30

³⁴ Scott (1999):807

³⁵ Caves (2000):364

2.3. Further data from local entrepreneurs

To turn once more to data gathered with creative entrepreneurs operating in Liverpool in 2008, it certainly seems that for some these issues are keenly felt. In terms of the capacity of the local environment, consider this opinion given in one interview regarding one of the most successful cultural outcomes of the ECoC year:

Film/Video/Photography (1): If you look in Liverpool, there is hardly any film industry. I mean you've got Sol at Hurricane, and he made *Of Time and the City*³⁶, and you'd think after you make that you'd be laughing, but you're just back to square one. The film industry here, you're not even as good as your last film. It counts for nothing.

Also, the size of a city will play a part in determining the wealth available to those involved in creative practices to make such activity viable commercially, a structural problem not easily dealt with, and one which is of concern to interviewees such as these:

Architecture (1): Obviously, though, what's missing in Liverpool is money - or the money is all in the wrong place [...] A lot of the private wealth in this city is not in the hands of people who are ideal patrons for the arts. In any sense. Really. Which is difficult.

Art/Antiques (1): The people that want to buy art don't tend to live in the city, they tend to live outside.

Art/Antiques (2): [One way to] tap straight into networks for sales is because either the owner or the sales director or somebody within it is connected to a lot of very wealthy people who've got money to spend. I don't come from that kind of background.

What is perhaps most problematic for a discourse of economic regeneration based upon creative industries within the interview data gathered, however, is a clear sense that those working in creative industries locally are aware of the dominant role of London, yet often narrate this dominance as something which they have little desire to participate in, and a factor which can be successfully avoided by working

³⁶ Produced with the assistance of the Liverpool Culture Company, directed by celebrated auteur Terence Davies, *'Of Time and the City'* is a cinematic meditation on the city of Liverpool which has received international acclaim, e.g. Scott (2009).

in a peripheral city, such as Liverpool. What drives the location of some entrepreneurs within the local context seems to be at least in part the opportunity to specifically locate themselves outside such a competitively dense and active centre as London; indicative examples are given below:

Art/Antiques (1): Everyone kept saying 'go to London' and I said 'there's no point me going to London because there's another 40 thousand people already there.'

Film/Video/Photography (2): I think, 'would it be easier in London? Would it be harder?' And it would probably be harder to make a name for yourself, there would probably be more work, but it would probably be more competitive [...] you'd meet less people, so getting a name for the work you do would be harder.

Liverpool's attraction for many, therefore, lies in some sense in this very lack of a competitive, thriving industrial environment. On this point, interviewees working within architecture particularly noted the limited role a city such as Liverpool can play:

Architecture (1): If you're going to move in architecture, you tend to go to the centre, the greatest concentration of architects in this country is in London. It sustains a culture, there is a scene, which there can't be here. There simply aren't enough people. There aren't enough people in the profession.

Architecture (2): The reasons I'm here aren't professional. Purely professionally, I'd find somewhere better than Liverpool quite easily.

Those working in creative industries may thus find sources of value in their location which do not square so easily with the dominant narrative around creative activity driving economic regeneration. For some, though, it must be noted that this lack of other established industry was also considered something of an opportunity:

Art/Antiques (3): Financially, the market hasn't developed yet [in Liverpool]. So, there's lots of culturally interesting people, but so far there isn't a proven market. Whereas in London, there's a proven market. [...] I believe keeping artists in the region is important for a healthy arts economy across the UK. That not everyone wants to go and live and work in London.

But they need the same ambition, and have that ambition supported outside London.

It should also be noted, however, that, since interviews were completed, this particular entrepreneur is no longer working within the city, and has moved operations to London. It is also clear that this viewpoint was a minority one. Many respondents expressed positive sentiments regarding the potential of being located in a city where they do not have to compete so vigorously for work, where there is not liable to be a large cohort of other people with the same skills present jostling for position and business, and where the market does not involve potentially coercive competition to such a great degree³⁷. Whilst this avoidance of excessive competition is certainly reasonable enough from an individual perspective, how this may translate into the successful operation of economically competitive creative industries in the city, or whether this pattern may contribute to achieving goals related to urban 'regeneration', is clearly another matter.

Conclusion

The scope for creative activity in ECoC cities, then is open to question. Perhaps most instructive on this point were the view of one interviewee who reflected on the comfort afforded by a relative lack of competition, but also upon the difficulty for practitioners within Liverpool to break free of the confines of the city:

Film/Video/Photography (2): I think because it's so small, it's easy to find other people to do projects [...] I liked it because it doesn't feel competitive here. Maybe it's insular; someone said it feels a bit like 'The Truman Show'³⁸. [...] It's got everything in a small space, but it's very inward-looking. Which is great for incubating projects, and incubating your own practice, because it's very supportive; you end up helping a lot of people out with their projects, people support you in yours, but it's hard to think 'how do I take it outside of Liverpool?'

The value placed by many on the ability to pursue projects, rather than on necessarily being able to find any wider markets to exploit them in, raises real questions around the value of any link between

³⁷ Keat (2000):45

³⁸ A 1998 feature film featuring a protagonist constantly under surveillance.

creative industries and programmes such as the ECoC in a local context. In terms of the issue at hand of 'crisis', therefore, the subject of the creative industries presents tensions to ECoC cities which are not easily resolved. Whilst certain industries deemed to be 'creative' may well have the ability to generate economic growth, that this growth would be especially related to the activity within an ECoC programme, or could be achieved in the kinds of cities using the ECoC award to stimulate 'regeneration' of some kind is open to question. Although they may not necessarily rely directly on physical resources, certain creative industries seems to stubbornly persist in their ties to specific geographies, and this in part enables them to consolidate their role as 'magnets', attracting certain types of creative talent away from more peripheral locations in a self-perpetuating manner. Related to this, the findings above seem to suggest that those remaining in such peripheral locations may find this very peripherality to be a source of value, and may not wish the various factors associated with established creative centres to be translated to their place of business. Also, it must be noted that even if we were to take it as read that an investment in the ECoC does constitute an investment in the creative industries (which is questionable) it does not automatically follow that these creative industries would necessarily be a source of value for urban areas. There is, for example, a great deal of research suggesting that work in such industries is very often characterised by difficult working conditions³⁹, long hours⁴⁰, and a need to take on multiple jobs⁴¹, and so is often associated with a poor quality of life⁴², with many workers understood by some to be involved in processes of 'self-exploitation'⁴³. If the ECoC did promote employment in creative occupations, it could therefore merely be exacerbating the problems associated with such work. Also, even if the ECoC does serve to enhance the cultural image of a given location, there is no guarantee that this will translate into employment growth in related industries. Rather than accepting the admittedly coherent narrative around creativity as the answer to crisis, then, it is imperative that we hold this creative agenda up for examination, and search for signs of the crises it may in turn bring about itself if adopted without due scrutiny.

³⁹ Belfiore (2002):95, Evans (2001):157, Leadbeater and Oakley (1999):15

⁴⁰ Gill and Pratt (2007):17

⁴¹ Feist (2001):195

⁴² Hesmondhalgh and Banks (2009):420

⁴³ McRobbie (2002):101

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