

THE CREATIVITY GAP

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Britain's creative industries are in a peculiar position. They are the focus of extraordinary expectations, for the economy, job satisfaction and even social inclusion. After years of growth, many in the industry face tougher times. But tougher times can help sort the truly creative from the over-hyped, and help address Britain's problems with innovation, too.

According to Tony Blair, the world's new knowledge economy pushes you further up the value-added chain all the time.¹ And Chancellor of the Exchequer Gordon Brown agrees. Impressed by China's expanding manufacturing base, and aware of the need for Britain to secure its competitive position. In February 2005 Brown promised to nurture what he called Britain's 'new creative industries'. One month later, in his March Budget, no less, the Chancellor commissioned the Design Council's chairman, George Cox, to 'do his best' to ensure that Britain's small and medium-sized enterprises 'are able to apply creativity and innovation to improve their performance and productivity'.²

Under the pressure of globalisation, the British establishment feels creatively challenged. At the same time, it believes that uniquely British skills in creativity put the country in a position to help meet this challenge.

1. CREATIVITY AS THE NEW ORTHODOXY

Back in 1998, style critic Peter York explained things with his usual acuity. 'Modernism,' he argued, 'is coming home.'³ After the retro 1980s, restaurants, boutiques and daytime television now promoted modernist design. 'We've got new people now,' as he put it.

Everywhere we look, creativity and design have become the conventional wisdom. At the turn of the millennium, Charles Landry, a specialist in urban regeneration through culture, argued that it was design and internet companies,

1 | Interview in the *Guardian*, 26 March 2005

2 | *Budget 2005*, 16 March 2005, p68

3 | *New Design*, ICA, 4 July 1998

young multimedia entrepreneurs and artists that provided ‘the buzzing atmosphere on which cities thrive, experimenting with new products and services’.⁴ Landry’s idea that the creative sector could revitalise inner cities has since been reproduced in all of Britain’s major urban centres, many of which competed for the title European City of Culture in 2003.

It is the same story in tertiary education. A decade ago, one in every 61 students in Britain was on a course in art and design. In 2002/03, that proportion was an astonishing one in every 16 – no fewer than 132,675 students in all.

In February 2005, Britons were flattered to learn that they were Europe’s most cultured, according to a survey by the Touring Club Italiano, attending more theatre, concert and cinema shows than any other country in the EU. That same month, among the wind-swept tower blocks of Edmonton, Ikea’s mass-marketing of Terence Conran’s Habitat aesthetic reached a new peak, as police were called to stop 6,000 customers storming the Swedish company’s new store. Ikea claims that one in 10 British citizens is now conceived in one of its beds, and seven million people visit one of its stores each Sunday, compared with the 4.5 million who go to church.⁵

Modernism has indeed come home. Yet when we look at it more closely, the emergence of ‘creative Britain’ is not just about increased sophistication in consumer taste. It is also about a transformation in attitudes to *work*.

2. CREATIVITY BECOMES THE STUFF OF LABOUR

Not to be creative at work has for some years been a sin. At BMP, a prominent UK advertising agency, James Best and Chris Powell maintained in 2000 that creativity was all too easily seen as the preserve of ‘creative’ firms. Rather, they argued, the commercial success of all businesses ‘depends on creativity’.⁶ In America, influential urbanist Richard Florida later put things even more sharply. Florida’s especially narcissistic category, the Creative Class, was, he argued, ‘the norm-setting class for our time’.⁷

In different ages people worked to different values. In rural communities they worked out of duty, while industrial workers imagined they were in a heroic test of manly endurance and skill. At the Work Foundation, Richard Reeves more recently suggested that control over work process and gaining from one’s own ideas lay at

4 | *The Creative City*, London, Earthscan, 2000, p35

5 | *Observer*, 13 February 2005

6 | In Anne Elwes, *Creativity Works*, Routledge, 2000, p vii

7 | *The Rise of the Creative Class*, 2002, p9

the heart of work satisfaction.⁸ In a 2003 report for Samsung Europe on the dynamics of work, Seymour Powell Foresight agreed that times had changed. Today, it argued, everybody wants to play up the creative element in their job, and nobody wants to do the humdrum stuff. Having demanded that employees identify with their products and services, businesses now have to put up with employees' attempts to 're-invent their jobs as an expression of their own ambitions'.⁹

The ambition to be creative, however, should be seen as the individual employee's strategy to cope with a relative lack of control over work. In *Flow*, his pioneering yet highly subjective study of creativity, Chicago psychologist Mihaly Csikszentmihalyi was surprised to find that a) people were at their most creative at work, but b) while they were at work, they did not want to be there.¹⁰ That basic contradiction is hardly new to us. In the past, employees coped by trying to retain control over their working skills, before Mrs Thatcher swept away such customs. Today, employees express their frustration with their relative lack of inspiration more speculatively by dreaming of another, creative working life. A key moment came in 1999, when US management guru Peter Drucker proposed that bored knowledge workers should prepare for the future by *planning to do stuff very different from the work in front of them*.¹¹

It used to be said that every waitress in New York was an out-of-work actress. Today the joke is 'You're writing a book? Neither am I.' The ambition to become one of the select few – today's aristocracy of labour, 'the creatives' – is what has driven the massive expansion of courses in art and design, of book clubs for would-be authors, and, in the musical domain, of bedroom bands. But there are uncomfortable truths to reckon with. Less than a quarter of graduates in design actually start work as designers (see chart below). The manuscripts are mostly unreadable, the bedroom bands unrecordable. Those ambitions are exploited to draw on the free ('work experience') and underpaid labour of runners, web-content writers and office dogsbodies throughout the cultural sector.

Five years ago, great expectations were invested in the creative industries: they would change our lives, build Britain a knowledge economy, reduce unemployment, and make work fulfilling. These expectations were bound to lead to disappointments. Yet matters have got worse. New Labour would like this

8 | *Happy Mondays: Putting the Pleasure back into Work*, 2001

9 | Seymour Powell Foresight, *Smart Office, Work Trends*

10 | Mihaly Csikszentmihalyi, *Flow: the psychology of optimal experience*, New York, HarperPerennial, 1991

11 | *Management challenges for the 21st century*, HarperCollins

country's creative industries to rescue its mainstream ones. But the creative industries themselves are now struggling (see figs 1, 2, 3 on inside cover).

Lean years ahead

Britain's creative and cultural industries did well from 1995 to 2002. Now, however, there are signs that the lean years are upon them. Are they prepared for this?

Between 2001 and 2004, revenues among the UK's design consultancies dropped by a half (see table below). One downward pressure on design was the fall in advertising revenues over 2000/03.¹² In fact, though, all the creative industries are still suffering the fall-out from the collapse in shareholder value that took place after the dot.com bubble burst in 2000 (see fig 4 on inside cover).

New research by the National Endowment for Science, Technology and the Arts (NESTA) illustrates the problems facing the creative industries. NESTA identifies an 'investment gap' for new creative businesses, which 'many private investors still perceive as being full of "lifestyle businesses" which are unlikely to produce desirable returns'. NESTA's report highlights a telling problem: 'Some creative businesses can find it difficult and expensive to locate and protect the commercial value of the content they create.'¹³

Ideas are notoriously hard to exploit. Think of the websites and installations, performances and images that are routinely plundered for inspiration by ad men and others. But to understand why making money from creative ideas has become such a problem today, one must know why it was less of a problem yesterday.

It was the late-1990s' market in newly floated internet company shares that suspended traditional rules about future company earnings. Such was the fear of losing out on an emerging market that dot.coms were excused the ordinary discipline of having to demonstrate the marketability of their product. 'Mind share' influenced investors more than market share. As radical New York economist Doug Henwood notes, 'eyeballs', 'hits' and 'page views' became fashionable substitutes for profits.¹⁴

What started as a gold-rush became a virtuous circle, as investors made money less on company earnings, and more on the very rising share values they themselves had helped create. 'I couldn't believe some of the entities – in New York

¹² | Advertising Association press releases, 2000-2004

¹³ | *Creating Value: how the UK can invest in new creative businesses*, May 2005

¹⁴ | Doug Henwood, *After the New Economy*, The New Press, 2003, p200

alone, Pseudo.com and Kozmo.com to mind – that got IPO [initial public offering] and venture financing’, Doug Henwood told me. ‘Semioticians fresh out of Brown University were getting web design jobs.’ Creative industry start-ups were schooled to expect a very forgiving attitude from investors in the new economy bubble. But when the bubble burst, investors in the UK moved their money into housing – a sector which, in the UK, accounts for a staggering 42 per cent of the UK’s invested wealth.¹⁵

Today creative scattiness looks a lot less loveable or impressive than it used to. The difficulty of identifying and exploiting the commercial value of one’s content, of course, has plagued the artistically minded community for decades. In the past five years, however, no creative has been able to set that difficulty to one side.

In the dot.com bubble, speculative internet start-ups commonly boosted their gravitas by hiring teams of designers. Lots of left-field art projects masqueraded as the latest concept-driven innovation. Advertisers and designers made money branding and re-branding companies that were starting up, merging or relaunching under the impact of the internet boom. The proliferation of IT platforms suddenly expanded design into whole new areas. But once the bubble burst, a lot of this activity was wound down.

It is not that the whole UK economy is now going to collapse: far from it. But for the creative industries, and particularly for design, the arts and advertising, the era of irrational exuberance is over.

Edison was right

Adversity can be a spur to creative thinking and practice. The truth is that things were getting a bit flabby. That is not bad in itself. It was right to make hay while the sun shone. But now the task is to win through in tough times.

While the work ethos of ‘creative Britain’ was all about intuitive leaps of the imagination, success in today’s colder climate demands Edison’s definition of genius as ‘one per cent inspiration, and 99 per cent perspiration’. This approach has had some notable recent successes:

- > Jasper Morrison’s Low Pad chair for Italian firm Cappellini is just part of the portfolio that has made him the ‘designer’s designer’, with products being made

¹⁵ | *Know Your Place*, Shelter, 2003

all across Europe. ‘It may be the designer’s duty to suppress any desire for self expression’ was how he explained the emphasis on usefulness and discretion that people have seen in his work.¹⁶

¹⁶ | *Domus*, May 2002

- > In 1998 British Airways challenged London-based product design consultancy Tangerine to give business-class passengers a 6ft flat bed with minimum impact on the overall seat count. One month later Tangerine presented the innovative concept of interlocking forwards and rear-facing seat pairs, allowing eight, rather than seven, passengers to be seated across the plane. BA adopted the idea, and its engineers worked alongside Tangerine’s designers for 15 months. BA launched the first business-class flat bed and boosted sales.
- > Eight years ago RDF Television employed 20 people in an old church. Today *Broadcast* and *Pact*’s Independent of the Year has 260 staff, sales of £45m and is in the top 50 firms for profit-growth.¹⁷ On the verge of flotation, the company exported formatted shows, like *Wife Swap*, which earned it £9m in 25 countries, after chief executive David Frank renegotiated export rights with Channel 4.
- > From TV documentaries like *Lifters* and *Electric Avenue*, Saul Dibb graduated to his debut feature film *Bullet Boy*, released in April 2005, and produced by Elizabeth Murdoch’s company, Shine, with investment from BBC films.
- > Coming from London and Edinburgh, Sam and Dan Houser, Terry Donovan and Jamie King’s Rockstar games launched the third *Grand Theft Auto* computer game, *San Andreas* (*Blueprint* December 2004/January 2005). It grossed more than £24m in its first weekend of sales. Provoking criticisms from Hillary Clinton, Doonesbury and New York’s Haitian community, Houser and friends put obsessively dark details and dubious morality into their game because they were disappointed with the formulaic output of the gaming industry.

¹⁷ | *Sunday Times*, 10 April 2005

What unites these stories is not just the truly creative individuals involved, who all worked hard to get where they were. There is a deeper and more contemporary lesson to be learned. It is that while hype about creative industries in the 1990s had no anchor in the material world, real inspiration today comes closely allied to technological and product advances.

New materials and processes have made it possible to look again at familiar designs, from lights to aircraft seats. The boom in reality TV owes a lot to lightweight, cheap cameras, small crews and digitisation. Advances in computer games are predicated on breakthroughs in processing power. Success in these projects came, not like a thunderbolt, but through application and reapplication.

The right context for creativity – and a critical attitude toward it

Britain's creative industries have much to be proud of. In 1985 Richard Seymour and Dick Powell thought again about the kettle, and took its cord away. James Dyson's 1993 invention pretty much took Hoover's name off the vacuum cleaner; today he says that the reason that Britain's trade is in the red 'is that we're not investing enough in R&D, we're not developing intellectual property, so people don't want what we do'.¹⁸ John Brazier's computer modelling of the Swiss Re building at 30 St Mary Axe for engineer Arup is the innovation that made Foster & Partner's Gherkin possible. It has helped make Arup a 7,000-employee company, with a £400m turnover worldwide.

Ideas, however, rarely come to order. The BBC set up an ideas laboratory in Birmingham in September 2001 to tap the creative juices of its staff. Everything was in its place – the walk through chill-out area, spaces for gassing around the coffee pot, giant screens. But the system of referring upwards inherited by the corporation from its military-cum-civil service organisation was still in place. The dedicated development team's energy was sapped by the bureaucratic inertia and it closed after a year.

The BBC's approach was stilted and formulaic. You cannot force creativity. Real ideas come unbidden, by working round a problem. Inspiration feels like a flash, but generally comes through involvement with real processes and techniques, as an improvement on these, or as a digression from them. It is important to get the setting right. Only where creative ideas are rewarded will they be developed. But, equally, insights are only likely to come when time and resources are dedicated to them. The important thing is that the context is continually demanding and quizzical, free of caution or anxiety about trying things out.

¹⁸ | *Financial Times*, 17 March 2005

Just as important for creating the right conditions for new ideas to flourish is the critical faculty of cutting through detritus that *substitutes* for innovation. Make-work activities of the touch-feely kind don't just fail to contribute to creativity; they detract from it. And that is especially true in the realm of the creative industries, where banal 'originality' so often crowds out genuine advance.

One thing that must always be done to create the right environment for innovation is to sort wheat from chaff. Nowhere is this truer than in Britain's all too complacent cultural sector.

3. HOW OFFICIALDOM DEFINED BRITAIN AS A CREATIVE ECONOMY

In the autumn of 2002, Trade and Industry minister Patricia Hewitt was out to correct a misunderstanding: 'Quite inadvertently we let the impression build up that we were only interested in something called the "new economy" – the dot.coms, the internet and all that. And that we weren't interested in traditional manufacturing – which was part of the old economy. With no future in the modern economy. This is nonsense.'¹⁹ But where did Hewitt's unhappy 'impression' come from? The answer is: from the Department of Trade and Industry.

In 1998 DTI minister Peter Mandelson published a paper written by Charles Leadbeater titled *Our Competitive Future: Building the Knowledge-Driven Economy*. That paper explicitly dismissed 'old models' in economics – ones that took seriously 'labour effort and physical capital'.²⁰ Its positive examples of economic success were pointedly divorced from traditional manufacturing: 'In many aspects of the knowledge economy, the UK is already in a strong position. In areas such as media, advertising and entertainment, financial services, pharmaceuticals and Formula 1 cars, the UK has a worldwide reputation as a leader of the field.'²¹

A sometime contributor both to the Communist Party of Great Britain monthly *Marxism Today* and to the *Financial Times*, Leadbeater stole the idea of the knowledge economy from Drucker, going on to popularise his version of it in *Living on Thin Air: the New Economy*.²² There, Leadbeater expanded on his DTI thesis. 'The critical factors of production of this new economy,' he argued, 'are not oil, raw materials, armies of cheap labour or physical plant and equipment'.²³ Instead, we were 'all in the thin air business'.²⁴

19 | Speech to the Institute of Public Policy & Research Manufacturing Project, 23 September 2002

20 | *Our Competitive Future: Building the Knowledge-Driven Economy*, DTI, 1998, Analytical Report, section 3.2

21 | *Our Competitive Future: Building the Knowledge-Driven Economy*, DTI, 1998, Analytical Report, section 3.12

22 | Penguin, 2000

23 | *Living on Thin Air*, Penguin, 2000, p14

24 | *Living on Thin Air*, Penguin, 2000, p18

This was a Third Way. This was what Dick Morris, Bill Clinton’s electoral adviser, notoriously termed ‘triangulation’. Neither labour nor capital created wealth, but knowledge and, in particular, creativity. Economics writer Larry Elliott sounded a much-needed note of scepticism: ‘Britain’s recent performance in manufacturing has indeed been poor but the idea that the creative industries are so dynamic and unstoppable that they can plug the hole in the balance of payments is fanciful in the extreme.’²⁵

Like Patricia Hewitt, Leadbeater soon had to back off. Speaking at a conference, organised by Spiked, titled *Don’t Blow IT* in London on 27 September 2001, he admitted that ‘we can’t all live on thin air’. Soon, too, Gordon Brown was on the same track. ‘Of course,’ he wrote in a move to reassure the UK’s manufacturing sector that the Government had not abandoned it, ‘creativity is not confined to any one sector of the economy.’ Creativity was, in fact, ‘essential in business today’.²⁶

Today the mood of sobriety has deepened. NESTA warns that exceptionalism – the assumption that creative businesses are not like other businesses – is self-defeating. It will only add to the ‘alienation’ of potential investors.²⁷

The remarkable thing about the DTI policy was that it was not an industry policy at all. It was an arts policy. Early in the New Labour government, Mandelson had wanted Chris Smith’s arts brief until Tony Blair persuaded him industry was more important. It was even planned for the culture ministry to be subsumed into the DTI.²⁸ Yet even after that, the Prince of Spin went on to model DTI policy on ideas generated at the Department of Culture Media and Sports (DCMS). The result was official sanction, by a department with no fewer than 10,000 employees, of the ‘knowledge economy’.

At first Number 10 was cautious. ‘The Prime Minister was unlikely to give us much support,’ the DTI’s man Stephen Hadrill reported back. But Leadbeater’s Thin Air rushed into a policy vacuum. ‘Apart from the knowledge-driven economy theme,’ reflected Geoff Norris of the Prime Minister’s Policy Unit, ‘the proposals did not contain a big idea.’²⁹

So here we are today. Despite all Hewitt’s weeping over Rover, and her retraction of the doctrines of Drucker, Leadbeater and Mandelson, we are still

25 | Time to stop taking the bit player role’, *Guardian*, 7 August 2000

26 | Preface, Anneke Elwes, *Creativity Works*, London, Routledge, 2000, ix

27 | *Creating Value: How the UK can invest in creative businesses*, May 2005

28 | Nicholas Serota, ‘Save him for the nation’, *Guardian* 8 March 2001

29 | DTI Memorandum, 1 October 1998

subject to those doctrines. New Labour still rates creative industries and the arts more highly than manufacturing. The latter just isn't trendy enough.

4. HOW THE DCMS CONFUSED THE CULTURAL SECTOR AND THE CREATIVE INDUSTRIES

It was out of defensiveness that the arts lobby first argued that the cultural sector was a boost to UK plc, not a drain on the Treasury. 'Our rock musicians contribute more to the balance of payments than the steel industry does,' said David Puttnam. 'The audiovisual industries employ about 220,000 people in the UK – considerably more than the number of people making cars and vehicle components'.³⁰

As head of New Labour's DCMS, Chris Smith made the economic case for the arts so successfully that it threatened to eclipse the economic case for industry. Smith's *Creative Industries Mapping Document 1998* and his *Creative Industries Mapping Document 2001* seemed to show growth rates for the sector that would be the envy of any minister. Employment in the arts and cultural industries had been estimated in 1995 at 648,900.³¹ By 1998 the DCMS found 1.4 million jobs there; by 2002, Smith's department was certain that 'creative employment' totalled 1.9 million jobs.³²

The purported growth in creative industry income was even more dramatic. While the 1998 *Mapping Document* estimated that income to be £57bn, the 2001 edition went on to double the figure to £112.5bn, or 5 per cent of GDP. These impressive growth statistics were buttressed with an increase in museum attendance from 25.4 million in 1999 to 32.7 million in 2001.³³

Sadly, much of the growth could be explained by different methods of counting. The DCMS boosted employment by 500,000 and income by £36.4bn by adding in the UK's software sector – the biggest single contributor to employment and earnings, but precious little to do with the arts. (Pointedly, the DTI now excludes computer software from its estimate of the earnings of the creative industries, which in any case it does not see as a sector in its own right.³⁴) The doubled earnings of the creative industries between the 1998 and 2001 versions of the *Mapping Document* were at least partly due to the fact that the two were 'not directly comparable': the appendix to the later one suggested that 'extreme caution' be used when attempting to draw conclusions from the data.

30 | 'The creative imagination' in Giles Radice, ed, *What Needs to Change*, HarperCollins, 1996, p54

31 | Jane O'Brien and Andy Feist, *Employment in the Arts and Cultural Industries*, Arts Council of England, 1995

32 | DCMS, 'Facts and figures', www.culture.gov.uk

33 | DCMS press release 169

34 | see DTI, *Investing in the UK*, UK Sectors, Creative Industries, 2004

The sudden growth in museum attendance could largely be explained by the abolition of attendance fees.

So, although much of the cultural sector's statistical expansion seems to be a matter of adding in more jobs and businesses in such a way that boosts the numbers, there can be no doubt that Chris Smith raised the profile of the arts. The problem with his case for the arts was that it confuses two very different things.

One was the *subsidised cultural sector*. According to the ever-diligent *Cultural Trends* editor Sara Selwood, the subsidised cultural sector consumes a subsidy of £4.9bn, and includes the loss-making performing arts (the National Theatre, orchestras and opera) as well as libraries and museums.³⁵

The other is the *profit-making*, creative components of the British economy. That would break down further into cultural goods and services – whether popular, like commercial television, or appealing to small market segments, like fine art. It would also include those commercial goods and services that have a creative component, like designed electronic goods or advertising. These are the 'creative industries' that feature in the DCMS case for the economic contribution of the arts; but it is the former, subsidised sector that benefits from the DCMS's proselytising.

The difference is important, not just for a realistic accounting of economic growth, but also to make the proper case for the arts, apart from their ability to make losses or profits. Many of the high arts simply will not make money, just as libraries will not. When the case for the arts has to be economic, it is harder to argue for works that are not profitable, but a public good.

5. CULTURE BECOMES SOCIAL ENGINEERING

Above all else in its policy for the arts, New Labour has always favoured instrumentalism – the tendency 'to use cultural ventures and cultural investments as a means or instrument to attain goals in other than cultural areas'.³⁶

The argument that the cultural sector would boost the economy was one kind of instrumentalism, but for many cultural projects it was less than plausible.

Anxious about their funding, yet inwardly confident of their worth, all kinds of artists strove to translate inner conviction into something that policymakers could understand, and talked up the different kinds of contribution they thought they

³⁵ | *The UK Cultural Sector*, Policy Studies Institute, 2001, 39, 41

³⁶ | Warwick University researcher Elenora Belfiore, quoting Swedish Professor Geir Vestheim in her paper *Auditing Culture*, July 2003

were making. Typically, they would concentrate on their educational contribution. Galleries and museums serving minority tastes would talk up their ‘out-reach work’. At the DCMS, dutiful arts *aficionados* translated this nervous special pleading to mean that culture could help resolve society’s defects by extending access and helping to educate the ‘socially excluded’.

The DCMS promised to make cultural provision accessible to ‘the many, not just the few’ and to cast cultural institutions in the role of ‘centres for social change’.³⁷ The DCMS drew on the work of the analyst François Matarasso, who wrote the report *Use or Ornament? The Social Impact of Participation in the Arts* in 1997 for Charles Landry’s cultural industries think-tank, Comedia. Matarasso invested the arts with extraordinary qualities, but all quite incidental to aesthetic. The real purpose of the arts, he wrote, was to contribute to a stable, confident and creative society. Participation in the arts could promote tolerance and contribute to conflict resolution, provide a route to rehabilitation and integration for offenders, help people feel a sense of belonging and involvement, be an effective means of health education, and extend involvement in social activity.

As the filmmaker and former National Theatre director Richard Eyre rightly protested, the arts are now held up as a means of social insight. For the government, the point of art becomes *education*, as well as the presumed *community cohesion and economic virtue*. Under these exigencies, argues Eyre, the government urges the need to purge elitism in the arts and presses for access with a ‘Zhdanovite zeal’.³⁸

Eyre’s reference to Stalin’s culture minister Andrei Zhdanov is meant to sting. It was on 26 October 1932 that Stalin raised his glass to the ‘writers, the engineers of the human soul’, recruiting the arts to social reconstruction. The idea that the arts can address the problem of social exclusion has an unfortunate echo of the parlour-pink 1930s, when the future laureate Cecil Day-Lewis insisted that ‘if poetry is to survive as a means of communication it must become necessary again to the people’.³⁹

But researchers like Selwood and Paolo Merli, looking at Matarasso’s report, were struck by its generally worthless research claims.⁴⁰ According to Elenora Belfiore, the main problem created by the argument that the arts are a source of urban regeneration, or that public subsidy is in fact an ‘investment’ with specific,

37 | *Museums, Galleries and Archives for All*, DCMS, 2000

38 | ‘Ballot box blues’, *Guardian* 26 March 2005

39 | *Left Review*, July 1935

40 | see Merli, ‘Evaluating The Social Impact of Participation in Arts Activities’, *International Journal of Cultural Policy*, 2002 Vol. 8; Selwood, ‘Measuring culture’, *Spiked-online*, 30 December 2002

measurable social returns, is that the arts became entirely instrumental. She writes: ‘Degraded to the function of mere tool, arts become a matter of “value for money”.’⁴¹

Munira Mirza, who has surveyed local authority cultural policies at the University of Kent, puts the problem similarly: ‘The instrumentalism of cultural policy tends to devalue the specific content of the product.’⁴²

Arts administrators stress social policy. NESTA, however, asks questions from a different point of view when looking at investing in the creative industries: making creative businesses profitable. For NESTA, ‘public-led initiatives have often incorporated other objectives, such as social regeneration, employment and cultural diversity’. Instead, such initiatives should prioritise ‘locating and realising the commercial basis of new creative businesses’.⁴³

NESTA’s point is rather different from the objections of Belfiore and Mirza. But one thing is obvious – that the policy lacks clarity of purpose. Is this seed-money for creative businesses, public funding of great art, or educational or social policy? Of course they might well be combined, but it helps no-one if they are confused.

In the pursuit of greater access, the danger was always that quality would suffer. Saying so risks mentioning the dirty secret that the fine arts never will – that they are indeed a minority pursuit. While nearly everyone watches TV and 61 per cent of the population go to the cinema, only 24 per cent go to plays or exhibitions, 13 per cent to hear classical music and only seven per cent to the ballet or opera.⁴⁴

Is this a problem? Certainly. But it is not a problem that can be fixed by making the high arts more accessible. It can only be solved by changing the social conditions. When, in art, Stalin’s Social Realists tried to make their work ‘relevant’ to the working class, Leon Trotsky’s admonition was swift. ‘Those who believe in a “pock-marked” art,’ he said, were ‘imbued with contempt for the masses.’⁴⁵ Sadly, pock-marked art was how Blair’s Millennium Dome turned out. There, New Labour’s dumbed-down populism filled the space left by a snobbish cultural elite who would not deign to participate.

Arts centre overload

Boosted by funds from the National Lottery, arts centres have sprung up all over the country. Researchers Josie Appleton and Kunal Dutta have identified 53 that

41 | ‘Art as a means of alleviating social exclusion: does it really work? A critique of instrumental cultural policies and social impact studies in the UK’, *International Journal of Cultural Policy*, Vol. 8, Routledge, 2002

42 | ‘Culture and social inclusion’, unpublished paper, September 2004

43 | *Creating Value*, May 2005

44 | Office of National Statistics, *Social Trends 34*, 2005, p201

45 | *Literature and Revolution*, 1966 [1924], p204

are new, or major new extensions of existing centres, backed by nearly £0.5bn of funding. Some are plain eccentric, like Luton's £3m National Centre for Carnival Arts, which aims to 'disseminate best practice within the carnival community'. But many, as Appleton points out, are simply commercial venues, pragmatically dressed up in an arts shell. The £3m Galeri Creative Centre in Wales offers office and workshop space for rent and rooms for hire, and Manchester's £83.5m Lowry Centre includes shops, a cinema complex, restaurants and bars: the paintings by LS Lowry himself are in a low-ceilinged gallery perched at the top of the building.⁴⁶

⁴⁶ | Josie Appleton, 'Where's the Art in that?', *Spiked-online*, 8 December 2004

This subtle retreat from the art part of the arts centre is a response to the overheated preoccupation with the arts that came to a head around 2000. Mounting disquiet over the Dome, together with the opening-night wobbles of London's Millennium Bridge, were the first signs that the country was perhaps oversupplied with cultural venues. There were increasing signs that not all the new ventures being funded by the National Lottery could be sustained. The Office of National Statistics guesstimated museum attendance in 1998-99 to be 81 million. A year later, the Museums and Galleries Commission cut that to 65 million. By 2004, indeed, UK public attendance at 'high' cultural institutions had fallen by 20 per cent in 10 years.⁴⁷

⁴⁷ | *Guardian*, 20 October 2004

Sheffield's National Centre for Popular Music was forced to close in 2003 after four years, despite an £11m grant; the premises handed over to the Sheffield Hallam University Students' Union. The Earth Centre, at Denaby, near Doncaster, closed in 2004 after five years and £60m of lottery money. In Cardiff, the £9m Centre for the Visual Arts was closed in November 2000 after 14 months. In Newport a planned arts centre ran into trouble when developers uncovered the remains of a 16th-century ship. Six thousand people signed a petition preferring the ship to the arts centre.

In a hothouse of National Lottery funding and New Labour instrumentalism, an atmosphere of near hysteria prevailed. So great was the pressure to achieve results that, within months of each other in 2000, two museum directors in the North West – Lea Parkinson of The Lowry, and Sir Richard Foster, head of the National Museums and Galleries on Merseyside – killed themselves.

Today, arts centres have started to be seen as a positive menace to life and limb. In March of this year, local authority architect Gillian Beckingham faced charges of manslaughter when seven people died from legionnaire's disease spread by the Forum 28 Arts Centre air-conditioning system, after she cancelled a service contract. Meanwhile in Carlisle an artwork featuring a 16th-century curse has been blamed for everything from foot-and-mouth disease to the relegation of Carlisle United.

Britons might or might not be getting more cultured. But arts centres in this country have over-reached themselves. Supply has vastly outstripped demand.

6. CREATIVITY BECOMES THE STUFF OF CITIES

In fact, worry about art centres is an exception, not the rule. For local authorities have too often turned to cultural regeneration as a phoney substitute for real economic revival.

Two models have shaped policy. The first is the success of Glasgow's nomination as European Capital of Culture in 1990; the second was the emergence, in the 1990s, of Shoreditch and Hoxton Square, the 'City Fringe' abutting the financial district, as London's bohemian quarter. The Glasgow 'Smiles Better' campaign worked because it wittily overturned the unspoken assumption that Edinburgh was Scotland's cultural capital. Similarly, East London's emergence as the stomping-ground of a new generation of Young British Artists eclipsed Hampstead's reputation as home to the intelligentsia.

Actually both of these blossoms grew in the dung of de-industrialisation. Glasgow writers such as James Kelman, Alasdair Gray and Agnes Owens, and Glasgow painters such as Ken Currie and Peter Howson plumbed the depths of the city's industrial wreckage for themes – eventually falling out with the council's upbeat champion, Pat Lally. In the nation's capital, artists had been gravitating to the City Fringe' to take advantage of large cheap industrial spaces ever since Bridget Riley first squatted the abandoned Ivory Shed in the West India Docks in 1967.

According to Liz Malone of the City Fringe Partnership, about 1,550 of the 7,000 businesses listed in *Yellow Pages* for the Shoreditch and Spitalfields areas could fit the very broadest definition of creative industries, from 18 art galleries, through 180 women's clothing wholesalers, 42 internet services and 125 graphic designers.

Characteristically, such businesses have a short-term approach: their leases generally run to less than five years. They are lean, occupying on average 93 sq m-186 sq m and employing five people. Just over half recruit by word of mouth, and virtually none uses an employment agency (though employment agencies themselves amount to 110, in this part of the ‘fringe’). They are businesses with turnovers of between a quarter and a half a million pounds.

City planners have tried to replicate the success of both Glasgow and Hoxton, but failed to ask whether these are appropriate precedents. Following Glasgow’s model, Belfast, Birmingham, Bradford, Bristol, Cardiff, Canterbury, Inverness, Milton Keynes, Newcastle-Gateshead, Norwich and Oxford all competed for Britain’s nomination as European Capital of Culture 2008, losing out to Liverpool. (‘If you don’t pick Belfast,’ joked the former paramilitary leader Gerry Adams to Miranda Sawyer, ‘don’t come back.’⁴⁸) But Liverpool’s bid document makes it clear that the nomination is not about the city’s dynamism so much as its dependence on government subsidy. Noting that ‘Objective One’ European funding will run out, the document argues that ‘Capital of Culture status would be the perfect exit strategy to Objective One’. Instead of celebrating Liverpool’s contribution to culture, its award was overshadowed by the perception that the city will still wallow in its victim status.

Charles Landry took up the Hoxton model of development in his *Creative City*. Despite pointing to ‘formula thinking’ as a chief barrier to regeneration, he subtitled his book ‘A toolkit for urban innovators’. Landry’s kit has been applied as far afield as Adelaide, Salem and Albania, as well as to Manchester, Newcastle and Birmingham. City grandees were even persuaded to market Newcastle as ‘a top international holiday destination in the specialised gay market’ – though if an analysis of the census by Sussex University researcher Darren Smith is to be believed, Newcastle is the straightest town in England.⁴⁹

Justin O’Connor is head of Manchester’s Creative Industries Development Service. Gamely, he talks up window-shopping as a creative industry. ‘Shops, cafes, bars, restaurants, clubs – people-watching, people meeting; the construction of lifestyle identity through consumption; postmodern flaneurs – whatever we call it – these are as essential an indicator of a lively city as the large cultural institutions.’⁵⁰

48 | *Observer* 8 June 2003

49 | ‘Are you the only gay in the village?’, *BBC Online*, <http://www.bbc.co.uk/tyne/gay/2004/04/gaymap.shtml>

50 | Manchester City Council Economic Initiatives Group, *The Cultural Production Sector in Manchester, research & strategy, summary*, 2001, p xxxi

Even less convincing, though, is Manchester's claim to any substantial slice of the country's creative industries. O'Connor's estimates show just 5,310 people working in cultural industries in Manchester, 20 times fewer than the number working in London. And even using his own 'expanded definition', as a share of Manchester's workforce, cultural jobs account for just two per cent of all jobs, less than in London (3.3 per cent) Cardiff (2.1), but just a little higher than in Southampton (1.9). As a share of industry and services output as a whole, the cultural sector is just 3.7 per cent of the North West region, compared with proportions of 5 per cent of the South East, and more than 7 per cent of London, but the same as Yorkshire and Humberside. And where other regions' cultural industries sectors, like East Anglia's or Humberside's, were growing, the North West's was contracting.⁵¹

Manchester is not the only regional centre that likes to talk up its contribution to the creative sector. At Scottish Enterprise, a creative industries team has discovered that 'Scotland may be UK's main creative industries region outside London/SE'.⁵² The DTI's research on business clusters puts it kindly: 'For most of the creative industries, any regional presence must be considered embryonic'.⁵³ In fact employment in creative industries declined between 1995 and 2003 in Scotland, the North East and the North West.⁵⁴ Regional burghers continue, like central government, to confuse subsidised arts provision with profitable private sector firms. Author James Kelman's take on Glasgow's elevation to City of Culture is pertinent: 'Art is not the product of "the cultural workforce", a term I first discovered in 1990 and which seems to refer to those who administer public funding and/or private sponsorship for "arts initiatives"'.⁵⁵

Just because new media took off in East London, it does not follow that other cities in the UK should try to do the same thing. For the residents of those cities, much-needed economic regeneration has been put on hold. Aerospace is a lot more important, and distinctive to the North West, as is industrial equipment and chemicals to the North East, and oil and gas exploration and computer manufacture to Scotland.⁵⁶ Instead of renewing infrastructure, every municipal government has prettified cities with flowers, festivals, arts centres, paintings and sculptures – and then gone on to mouth off about how its offering is, of course, unrivalled and completely unique.

51 | *The Cultural Production Sector in Manchester, research & strategy, summary*, 2001, pp xxxv, 16, 23, 24

52 | July 1999

53 | *Business Clusters in the UK*, DTI, 2001, p58

54 | London Development Agency, *Economic Development Strategy*, Evidence Base Section 4.5

55 | in Farquhar McLay, *The Reckoning: Beyond the Culture City Rip Off*, Clydeside Press, 1990, p 130

56 | *Business Clusters in the UK, Regional Annexes*, DTI, 2001

7. THE SCULLERY ECONOMY

'We can say with pride that Britain is the "design workshop of the world" – leading a creative revolution.' Tony Blair ⁵⁷

⁵⁷ | Britain's Design Industry, Foreign and Commonwealth Office, 1998, p3

The image of Britain living on its wits, with a growing creative sector, flatters the egos of those who parade it. But the image is a false one. The British economy has expanded, indeed; but the revolution has not been in creativity, but in labour markets.

Today three million more work in Britain than in 1994. Women and migrant labourers have boosted Britain's output. The increase in women in work has been made possible by the spreading nursery provision, together with growth in the numbers of domestic servants, cleaners, child-minders, gardeners and repairmen. Since 1987, spending on domestic services has grown from £1.1bn to around £4.5bn, and the number of domestic servants to four million, with one in 10 households employing them.⁵⁸

⁵⁸ | Alexandra Jones, *Domestics*, The Work Foundation, 2004

There are more domestic servants than cultural workers in Britain, and they are adding numbers faster, too. Yet there are no government press releases lauding 'servile Britain', or the 'scullery economy'.

US management and economics supremo Michael Porter has looked at the British economy for the DTI. He found that British business was good at setting people to work hard, but invested much less in capital stock than America, Germany or France.⁵⁹ Corresponding to the low levels of investment in new technology, Britain's investment in R&D was lower too, and would be much lower were it not for the exceptional amounts of research done by the bio-technology sector, in which Britain enjoys a world-leading position.⁶⁰ Another DTI investigation blamed the UK's 'risk-averse approach' for low levels of entrepreneurial activity and for frustrating the early adoption of new technology and new products.⁶¹

⁵⁹ | Michael Porter and Christian H M Ketels, *UK competitiveness: moving to the next stage*, DTI Economics Paper No 3, May 2003, p12

⁶⁰ | Porter and Ketels, *UK competitiveness: moving to the next stage*, p36

⁶¹ | *UK Productivity and competitiveness indicators*, DTI Paper no 9, 2003, p72

⁶² | *UK Productivity and competitiveness indicators*, p9

⁶³ | *UK Productivity and competitiveness indicators*, p25

The labour-intensive nature of Britain's expansion under New Labour leads to perverse results. The country's 'strong labour market performance may', in the words of the DTI, 'actually have ... the effect of lowering average measured productivity'.⁶² Ironically, too, the UK's share of exports in what the DTI likes to call 'knowledge based goods' declined in both 2001 and 2002.⁶³

So much for the knowledge economy. While its rivals are really investing in ideas, Britain has moved down the value chain, not up. Creativity in British industry looks less a description of the state of things, and more a pressing necessity. For Britain, creativity cannot be a boast. It is something that still needs to be achieved.

Is good design really good business?

The Design Council claims that its 2002 *Survey of Firms* has ‘shown for the first time the link between growth and design’.⁶⁴ Has it really?

The council makes two arguments. Its first is that there is a correlation between the importance that firms put on design and the share prices they enjoy on the Stock Exchange. Sadly, the truth is that both are falling. Over the three years 2000/02 firms questioned put less importance on design each year. And over the same period, share prices fell, and have continued to fall since.

The Design Council’s second argument differentiates between ‘static’ and ‘rapidly growing’ firms, and hails evidence suggesting that rapidly growing firms value design more than static ones. Even here, though, the picture is a varied one. While rapidly growing firms did think design had helped make new and better products and services, and nearly half thought it had improved productivity, only a third thought it had increased their bottom line. Even fewer praised it for reducing their costs.

Perhaps the Design Council has put the cart before the horse, for the real logic of economics is not as favourable as it would like to have us believe. When things are going well for them, employers invest more, in design as in other factors. Conversely, those ‘static’ companies that see less value in design tend to cut back on general costs, including design, in a less favourable economic environment. Perhaps their attitude is that design is a luxury they cannot afford.⁶⁵ Design spending is the dependent, not the independent, variable.

To isolate spending on design from other economic factors is always foolish. But the Design Council’s error is bigger than this. It tries to draw a media-friendly correlation between *the importance that firms claim to attach to design* – a fuzzy variable, if ever there was one – and *the prices of their shares* among dealers in the City.

That may convince Gordon Brown, but not the readers of *Blueprint*. After all, there is usually a time lag between being convinced of the merits of design,

64 | Design Council,
*Design: an ingredient to
growth, 2003*

65 | Design Council,
*Design: an Ingredient to
Growth, 2003*

and getting a pay-off from spending money on it. In fact the *fall* in share prices in 2000-02 came, as we have seen in our discussion of the dot.com boom, after a massive *increase* in spending on design.

The rest of the Design Council's *National Survey of Firms* reveals a very different economy from the one Tony Blair talks about. Most companies have a very low opinion of design: two thirds think it made no contribution at all to their turnover or their profitability.⁶⁶ More than half made no use of design either with staff, or with consultants.⁶⁷

66 | *National Survey of Firms 2002, PACEC, 2003, p11*

67 | *National Survey of Firms, p13.*

This is the finding that gives the game away: a massive 58 per cent of all the firms surveyed in 2002 had neither developed nor introduced any new products or services in three years (p12). This contrasts sharply with the three years preceding, when two-thirds of firms surveyed by the DTI were found to be actively innovating.⁶⁸ Only 11 per cent of firms increased spending on R&D. They preferred outlays on marketing (34 per cent of firms) and sales (29 per cent). In Britain, as ever, effort is being put into getting goods off the shelf and into people's hands, but not into new goods.

68 | Brian Stockdale, *UK Innovation Survey, DTI, 2001*

Not for nothing do we find that design, when it is invested in, becomes a *substitute* for innovation. Where technology has stagnated, businesses put a greater stress on brands to differentiate products. If you cannot build a faster chip, you can always stuff the competition by tapping into the public's psyche. That can mean good work for designers, but it does not necessarily lead to better products.

Of course, style and utility need not be mutually exclusive. Apple Inc's celebrated iPod MP3 player and storage device combines a) firewire and flash memory b) a single scroll-wheel for navigation – a near-perfect simplification of the controls c) dedicated but Windows-compatible iTunes software, and d) the signature elegance of the iPod itself. But just as important as Jonathan Ive from Newcastle Polytechnic have been hard drives from Toshiba. Here design is the proper *accomplice* of investment in new technologies, not a faddish attempt to circumvent that investment.

Good business may lead to more and even better design. But more and better design does not, by itself, lead to good business. To imply as much is just hyperbole. But then the design business has never been short on that.

Trumpeting today's television

At £18.5bn, expenditure on ads in Britain makes marketing an expensive project, representing 1.5 per cent of the country's GDP. The country's second largest advertiser (after Procter and Gamble), responsible for about one per cent of the ad market, or £189m, is the government itself. The recovery of Britain's marketing services sector in 2004 is largely due to a diversification of platforms; traditional sub-sectors such as TV advertising have not recovered their old position.

Television itself, however, has undergone some important changes. In the 1990s, innovation in the sector was mostly centred on platforms – Sky, cable, digital. A sharp rise in broadcast hours exposed the weakness in UK programme-making, which proved no match for imported US shows. There was a sharp increase in 'wallpaper' television, and the beginning of the reality show, in MTV's *Real World*. Then, in 2000, Sir John Drummond, a former controller of Radio 3 denounced Tony Blair for philistinism, and referred to BBC Arts boss Alan Yentob as a prat who was only interested in films and rock music – one of the 'middle aged men in baseball caps turned the wrong way who don't want to grow up'.⁶⁹ Melvyn Bragg, long a populariser of culture for British television, responded by mocking Drummond, as well as former head of the World Service John Tusa and novelist Vibia Naipaul. In a familiar New Labour gambit, he charged them with 'denigrating the present and pompously pumping up the past'.⁷⁰ Channel 4 chief executive Michael Jackson, Endemol's Peter Bazalgette and Mark Lawson of the *Late Review* all joined Bragg in his defence of contemporary broadcasting. In true television-eats-itself style, programme-makers made the complainants into a successful format: BBC's *Grumpy Old Men*.

But it was not just a nostalgic old guard, or outsiders, who had come to the view that quality had suffered. Seventy per cent of television newcomers polled by the British Film Institute had said that programmes had got worse, commenting that they were 'anodyne', 'formulaic', 'insipid', 'depressingly unambitious', 'going for the lowest common denominator' and 'dumbed down'.⁷¹

The demand for more programming, unmatched by more funding, had provoked an increase in output... and a storm over quality. 'Not high-brow, not low-brow, just no-brow' cracked John Humphrys in his 2004 McTaggart lecture

69 | 'Ex-BBC boss says Blair is a philistine', *Guardian*, 14 August 2000

70 | 'Bragg brands arts establishment "foolish senior citizens of culture"', *Guardian*, 13 September 2000

71 | British Film Institute, *Television Tracking Study* May 1999, p 41, 43

(27 August). But by then, programme-making had improved, and reality TV had gone beyond web-streamed images of sleeping contestants on *Big Brother* to more enlightening shows like *Wife Swap* and *Faking It*. In 2004, British television made £1.6bn selling such formats overseas.

Today British-formatted shows are sold to the US. Adam Curtis's innovative essay-documentaries, *Century of the Self* and *The Power of Nightmares*, have shown that TV can still claim big ideas. In this light, the BBC's announced programme of redundancies seems like a step backwards. Of course, BBC management has struggled with what it takes to be absenteeism, with substantial numbers of staff taking sick leave, or 'downtime'. But on closer inspection, strategies of work evasion at the Beeb seem to stem from a management culture of bureaucracy and indecisiveness.

There was indeed never a golden age of television, and all that is TV today is not tarnished. But at the BBC, at least, the noble Lord Bragg's blank cheque for current creative practice may well have led staff to believe that they can be just as creative in bed as behind a desk or in a studio.

The art market overheats

In May 2004, a fire in Momart's warehouse in Argall Avenue in Leyton, London, destroyed art worth millions of pounds. The artworks stored belonged to many people, notably the wealthy patron Charles Saatchi, but also the family of the late abstract expressionist Patrick Heron. Some of the key figures of the BritArt phenomenon of the 1990s, such as Tracey Emin and Damien Hirst, lost work.

The sheer mass of work under one roof was remarkable in itself. A great stimulus to the visual arts in recent times has been the interest of wealthy corporate investors, such as Yasuda Fire and Marine Insurance which hiked up the price of Vincent Van Gogh's 'Sunflowers' to nearly \$40m in 1987. Unique works of art were seen as a useful store of value for firms that were making more money than they could put to use by conventional investment.

In New York Julian Schnabel's broken crockery, recalling his time as a dishwasher, and Keith Haring's outline men, showed that contemporary art, too, could become part of a portfolio investment. At a time when industry was seen as passé, art works stood in. In the UK, it was Charles Saatchi – then owner of the

advertising agency Saatchi and Saatchi with his brother Maurice – who started to collect contemporary art, with his then wife Doris. Saatchi aggressively pursued young talent, sometimes recruited at degree shows at Central St Martins. His flock included Damien Hirst, Rachel Whiteread, Tracey Emin, Gary Hume, Sarah Lucas, Chris Ofili and, more latterly, Jake and Dinos Chapman.

Saatchi's prodigious spending was a factor in its own right, buoying an art market that was used to pleading for government support. Now the young talent worshipped at the shrine of Mammon. They moved from Notting Hill to Hoxton not just for reasons of cost, but to be closer to their City patrons. Where once artists like Patrick Heron laboured over Calor gas heaters in smocks, poor as church mice, in the 1990s they became celebrities feted by the media.

It was speculative investment that led to the great accumulation of works in the warehouse in Argall Avenue. There were simply too many works to be seen. Instead they were stored away in a kind of Fort Knox for art. Yet, just as in nature piles of apples go rotten and excess livestock is stricken down with foot-and-mouth, so the art works lying in Leyton were too much. Better that they had been put on show, whatever the risk, than shut up in the dark – highly priced but unseen.

The 1990s art boom encouraged sloppiness. The Young British Artists preferred the inspired gesture to patient work. They added public outrage to the their palettes, only to find that it faded very quickly.

8. THE FUTURE OF THE CREATIVE INDUSTRIES

As New Labour always strokes us, we are all creative, at least potentially. But for the present, most people find their creativity thwarted by division of labour, and feel diminished by working lives that are given up to processes they do not own or control. In such conditions, one can understand why so many people invest so much in the idea of self-improving creative activities, or the dream of becoming artists.

It is harsh to say that much of this is necessarily one-sided and limited. But in the long run it is better to tell the truth about contemporary limits to self-fulfilment. The better such barriers are understood, the greater the prospect of dismantling them. Changing the terms under which society is ordered is not something that can be achieved through the imagination.

But harsh lessons are not easy to give, and it is a lot easier to mollycoddle half-hearted efforts as ‘creative in their own way’. This has been the downfall of the official policy of DCMS, and of mainstream media and cultural provision. A superficial democratising of the arts has, in practice, turned out to be condescension that does little to satisfy popular yearnings. It has also put limits on real creative work.

The economist Joseph Schumpeter thought that ‘creative destruction’ was the essential fact about capitalism. He meant that periodic crises would sweep away the dross and let the best prosper.⁷² But years of moderate expansion have suppressed the destructive side of the economy, and that has encouraged a lack of discrimination in the generation of ideas. The expansion of mediocre arts centres, wallpaper TV and shallow shock-tactic art indicates an unwillingness to pass judgement. But if we do not pass judgement, in time judgement will assert itself as lost business.

This survey of creative industries has shown that now is no time to be satisfied. Substantial innovation is seriously lacking. Britain does not lack creative minds or hands. But they ought to be much more engaged in transforming the techniques and processes that make up our productive base. Creativity is not a gift bestowed from on high to a sated populace by a post-industrial leisure society. Creativity is what we need to engage if Britain’s low level of technical application and economic development is to be overcome.

In their T-shirts and trainers, Britain’s genius layabouts too easily spin romantic myths about creative work – that it is all brainy flashes of inspiration. Yet, for the most part, creative production is difficult and demanding work, full of dead-ends. Long ago, the radical critic Walter Benjamin wrote that the transformation of artistic technique ‘is for the author as producer, the basis of his political progress’.⁷³ The responsibility on those working in creative industries is not social improvement or even economic growth. What is entrusted to artistic and imaginative individuals is the vitality and integrity of their work itself.

It is that which needs improving. All else is living on hot air.

72 | *Capitalism, Socialism and Democracy* (New York: Harper, 1975) [orig. pub. 1942], p 82

73 | ‘The Author as Producer’, in *Understanding Brecht*, London, 1977, p 95