

From Arts Management to Creative Industries

Suzette Major

Department of Screen & Media Studies
University of Waikato, Hamilton, New Zealand

Anna Connell

Department of Screen & Media Studies
University of Waikato, Hamilton, New Zealand

Suzette Major is a lecturer with the Department of Screen & Media Studies, University of Waikato. She designed the first Marketing the Arts course at a New Zealand university in 1998, and has established a national reputation in terms of arts marketing and creative industries research. Suzette has published articles on arts marketing and film marketing, including a forthcoming chapter on marketing Lord of the Rings. Suzette works closely with the local arts community, and is involved in numerous community initiatives in the arts and cultural sector including facilitating arts/business workshops for local artists.

Anna Connell is a Masters student with the Department of Screen & Media Studies, University of Waikato. Her Masters thesis, entitled Visions of Value: How artists perceptions of the value of their work interacts with creative industries discourse in New Zealand, investigates the impact of creative industries policy on local artists.

Abstract

The application of management principles to the process of artistic creation is not a new phenomenon. It is now over 20 years ago that books and articles were produced in the field of arts management (see for example Andreasen & Belk, 1980; Hirschman, 1983; Mokwa, Dawson & Prieve, 1980). However, the development of this field has recently taken a dramatic shift as government initiatives in the creative industries emerge. The impact of government policy in the creative industries on artists themselves however is yet to be thoroughly explored. This study attempts to address this gap. The objectives of the study are twofold: to investigate New Zealand government policy regarding the creative industries, and to explore the impact of these policy initiatives on those working within the creative industries. This paper reports on the initial part of this study, specifically government policy on the creative industries.

Keywords

Creative industries, cultural policy, creativity

The application of management principles to the process of artistic creation is not a new phenomenon. It is now over 20 years ago that books and articles were produced in the field of arts management (see for example Andreasen & Belk, 1980; Hirschman, 1983; Mokwa, Dawson & Prieve, 1980). However, the development of this field has recently taken a dramatic shift as government initiatives in the creative industries emerge. In New Zealand, "creative industries" has become a buzz word. Central to the current government's agenda is the notion of creativity as a cornerstone to a successful economy. State intervention of arts and cultural sectors no longer occurs for purely philanthropic reasons. Rather, the current government recognizes the economic potential of the arts, culture and creativity.

The policy direction of the current New Zealand government on the creative industries marks a specific turning point for artists. The implementation of creative industries policy suggests that

arts and cultural sectors are being evaluated in terms of industrial frameworks, which rest on economic measures. No longer is arts management simply about applying management thinking to the arts. Rather, arts management has developed into creative industries frameworks, where management principles are unquestionably part of the process of artistic creation.

New Zealand is not alone in considering arts, culture and creativity in terms of their economic potential. Indeed the creative industries is a catch-cry for bringing arts and commerce together. A key advocate for this approach is popularist writer Richard Florida, who outlines why creativity is key for a successful economy. In his book, *The Rise of the Creative Class*, Florida (2002) examines how and why governments need to value creativity more highly than ever and cultivate it more intensely. He concludes that it is time for the creative class to grow up and “evolve from an amorphous group of self-directed while high-achieving individuals into a responsible, more cohesive group interested in the common good” (Florida, 2002).

Florida suggests that everybody is creative and that creativity is a readily available energy that could be the key to generating economic growth. He cites Austin, Texas; San Francisco and Manchester as examples of cities that have benefited economically from attracting a ‘creative class’ of people. Florida has come under fire from Tusa (2003) and others who suggest that he is attempting to commodify creativity. By identifying another so called ‘class’, Florida could be accused of contributing to the widening of the gap between the ‘haves’ and the ‘have nots’ by suggesting that communities prosper on the basis of whether or not they are able attract creative people from outside of the communities boundaries. Florida’s observations do however contribute to a growing body of literature that bridges popular culture and the arts and economic trends.

The sentiments expressed by Florida are being echoed, not only in the policy of governments but at academic conferences and in academic books and articles. At the second international conference on Creative Industries Development held in Brighton, England in April of last year, conference director Simon Evans, made the opening address, in which he stated, “the role of the artist is changing. The artist is no longer a peculiar outsider with a magical gift that the state or rich must protect. Artistic creativity is a normal human activity... creative skill is not magic. It can be taught and learnt” (Evans, 2004, p7).

Charles Landry (2002) is another academic who supports Florida’s ideas and was sponsored by Creative New Zealand to speak in New Zealand about the ideas in his book *The Creative City: A Toolkit for Urban Innovators*. The ideas advocated by Florida and Landry, as well as practitioners like Evans, are not just part of an academic discourse; they have become part of a politically popularist discourse as well. Their ideas have been used to spearhead the policies of governments in the United States, Australia, the United Kingdom and New Zealand.. New Zealand specifically provides an interesting case study in terms of government’s focus on creativity as an economically valuable resource. This development can be described as a shift from arts management to creative industries.

The current Labour government in New Zealand began its term in 1999. Newly elected Prime Minister Helen Clark took on the arts and culture portfolio signalling the priority the new government was to make of arts and culture in New Zealand. In a move away from the policies of the outgoing National government, who had practiced non-intervention in relation to the arts, the new Labour government began initiating a series of policy and funding changes, the largest of which was the Cultural Recovery package.

Announced in May of 2000, the Cultural Recovery package injected an initial eighty million New Zealand dollars into the arts and culture sectors and promised an extra twenty million dollars every year for the next three years. Previously struggling organizations like the Royal New Zealand Ballet, the New Symphony Orchestra and the New Zealand Film Archive received a much needed boost in funding. The package allocated funding for establishment of new bodies, including NZ\$22 million establishment grant to a new Film Production Fund and NZ\$2 million to establish a Music Industry Commission. The package also allocated an extra NZ\$7 million dollars of annual funding to NZ On Air, including NZ\$2 million for its music-related work, and NZ\$5 million for New Zealand TV programmes, especially children's TV. A cash injection of up to NZ\$27.909 million was also allocated to cover NZ On Air's shortfall in 2000 after the National government's abrupt abolition of the Broadcasting Fee (Creative New Zealand, 2000).

The funding allowed existing government agencies like Creative New Zealand, established in 1994 to promote and develop arts and culture in New Zealand, to play a more powerful role in decision making. Creative New Zealand is now the countries primary funding body for arts organisations and artists in New Zealand. The announcement re-emphasised both the Labour governments and Clark's own personal commitment to the arts and cultural sectors:

A nation can be rich in every material sense, but, if it fails to provide for and nurture creative expression, it is impoverished in immeasurable ways. Our arts, our culture and our heritage define and strengthen us as a country, as communities and as individuals. This sector expresses our unique national identity. Our government has a vision of a vibrant arts, cultural and creative sector which all New Zealanders can enjoy. This sector can also provide sustainable and rewarding employment, and contribute a great deal to economic growth and prosperity. (Creative New Zealand, 2000)

The re-focus on the arts and cultural sector led to a re-imagining of these sectors in terms of their economic potential. This development is encapsulated in government policy on the 'creative industries', a term which has come to represent the core of the arts/business interface. The term, 'creative industries', arrived in New Zealand, via Australia, from the United Kingdom. The first use of this term was in the United Kingdom after Tony Blair established the Creative Industries Task Force in 1998. The task force's key goal was to look for ways of maximising the economic impact of British goods and services in the creative sector.

The Creative Industries Task Force defined the creative industries as: "Those industries which have their origin in individual creativity, skill and talent and which have a potential for wealth and job creation through the generation and exploitation of intellectual property" (Creative Industries Task Force, 1998). The industries included were advertising, architecture, arts and antiques market, crafts, design, designer fashion, film, interactive leisure software, music, performing arts, publishing software, television and radio.

The chairman on the Creative Industries Task Force was Chris Smith, an MP in Tony Blair's government. Smith spoke at a Creative Industries forum jointly hosted in Auckland by the British Council and Creative New Zealand in September of 2000. At this forum Smith, argued that government support of the arts was not enough. He emphasised that governments had to understand how the arts did and could contribute to a countries economy.

While the most important element of any sensible arts policy, of course, is to ensure that you are supporting the arts as a government. They speak to the life of the spirit and the imagination. They help to make life worth living. They are part of the fullest expression of human intellect. At

the same time, however we needed to understand how the arts and cultural and creative activity more generally had a major impact on the national economy as well. That not only were the arts and creative activity important for what they did for the individual, for the individual spirit, but they were also important for what they did for the national economy. (Smith, 2000).

As evidenced by Smith's appearance at the Creative Industries Forum in 2000 and the current governments direct adoption of the definition of the creative industries set out in the British Task Force document, New Zealand has been eager to learn from and imitate the creative industries policy set out by the Blair government in Britain. At this stage there has been no major examination of whether the British framework is the most suitable for this country. There may be an arguable case that there are conditions that are unique to both countries artistic environments and, as such, direct importing of frameworks and policies needs to be more closely examined.

On its own, without surrounding frameworks and policy, the semantics of the term 'creative industries' have inspired academics and art practitioners in both the United Kingdom and Australia to debate the origins and implications of this phrase. Stuart Cunningham, director of the Creative Industries Research Center in Brisbane, provides one of the most comprehensive discussions on this debate in Australasia. In his paper *From Cultural to Creative Industries* he attributes the adoption of this term by governments in the United Kingdom, Australia and New Zealand, above other such similar terms like cultural industries to way it captures an 'economic enterprise dynamic'(Cunningham, 2002, p1). Cunningham argues that for governments the term has a more international feel to it, as opposed to 'cultural industries' which seemingly focuses only on the individual country, as culture can be considered specific to each separate nation state. The term 'cultural industries' seems to denote tradition, nationalism and to a certain extent a reliance on government funding. Cunningham maintains that replacing the term 'cultural industries' with 'creative industries' removes the connotations of tradition and state funding while reflecting the global trend towards technological, economic and organisational innovation.

In New Zealand there is a clear link being established between innovation and the creative industries. The creative industries have been included in *Growing an Innovative New Zealand* (2002) the governments framework for innovation and technology. Innovation has become one of the cornerstones of the current Labour government's policy and fostering innovation is seen as a fundamental part of this countries future direction. It can be summarised as follows:

New Zealand's real per capita income fell below the OECD average in 1970 and has remained there ever since. Drawing on international research the New Zealand government recognises the need to invest in factors of production other than capital and labour. Growing international trends suggested the importance of innovation in the development of economic growth. Knowledge has become a valuable commodity and the New Zealand government sponsored the Knowledge Wave conference in 2001.(Ministry of Economic Development, 2002, p13-14).

Three years on from the hype surrounding the 'knowledge wave' and the age of information, it is possible that we are facing the promotion of a new age, the age of creativity. The head of Creative New Zealand, Peter Biggs, has suggested we have moved beyond the age of information and are about to embark on an age where creativity, not knowledge, is the most valued commodity. Biggs (2002) suggests that New Zealand needs to undergo a metamorphosis as a nation, whereby we identify ourselves as creative instead of agrarian or industrial. Biggs goes so far to say that creativity should be the new nationalism and suggests that those industries traditionally associated with creativity and therefore the arts have a huge role to play in the future economic well being of the country.

This review of creative industries policy in New Zealand, including how it has come to our shores via the United Kingdom and Australia as well as popularist academics such as Florida and local opinion leaders such as Biggs, suggests that artists are no longer valued for purely social reasons. Their contribution to society is now measured in a more economic manner – specifically how their creativity can add to the economy. From the outside, it would seem that there has been a removal of choice. Artists, and others involved in the creative industries, are now expected to be part of the economy; their creativity measured in economic terms. Is “arts for arts sake” becoming a distance myth?

The impact of this shift from arts management to creative industries on artists themselves has yet to be explored. While government policies have been quick to be implemented, little word has been heard from the artists themselves. A study is therefore currently being undertaken to address this gap. This study is not only analysing government policy, but also exploring the impact of these policy initiatives on those working within the creative industries. Specifically, this study draws on applied ethnography – a methodology that encompasses a range of qualitative research techniques. In this study, open interviews, participant observation, as well as discourse analysis of government documentation are being employed. Applied ethnography acknowledges the participants as citizens and encourages the researchers to respect this and recognise the impact of knowledge production as a means of becoming an informed citizen. In this way, participants appear to benefit from the study as much as the researcher.

This study is currently ongoing; however initial findings are emerging. Analysis of government documentation suggests that creative industries policy is inherently contradictory. Specifically, the notion of measuring the arts and cultural sectors in terms of their economic value is blurred by continual reference to the significant social impact of the arts in New Zealand. This reflects the complexity of the notion of value in the context of the creative industries, and highlights the difficulty of referring to artistic creation as an industry, complete with economic standards such as productivity measures and employment statistics.

Interviews with industry professionals again indicate this complexity. While members of government agencies are quick to point towards the pivotal role of the arts for the social wellbeing of the country, they couple such comments with the importance of considering creativity as a vital economic industry. The recent government investment into the creative industries (NZ\$650million over a three year period) is justified by this discourse of economic potential. Investing in the arts and cultural sectors is seen as providing a more stable environment within which artists can produce and live off their work. However, a return on that investment is regarded as an imperative condition – artists have little choice but buy into the current creative industries framework if they are to survive in the arts and cultural sector.

The impact of such thinking on artists is currently being explored. However, the general sense of artists studied is that government initiatives in the creative industries are largely imposing and non-consultative. In essence, it seems that a lack of consideration has been made as to the possible negative impacts of creative industries frameworks. While government investment in the arts and cultural sectors is welcomed, artists have difficulty conceiving of their arts practice wholly within the newly implemented economic models.

The impetus for this study came from the changing face of students studying arts management at the University of Waikato. Over the past seven years of teaching arts marketing, the field itself has changed dramatically, and this is reflected in the higher number of students interested in studying this field and seeing the arts as a viable career option. These classroom observations led to a broader reflection on government policy, and how strategies in the creative

industries are impacting on individual artists. The new term – creative industries – comes not only as a change in name, but more significantly, a change in emphasis towards the economic potential of the arts. The impact of this shift from arts management to creative industries on those working in the field is a fascinating, yet complex example of industrialisation.

References

- Andreasen, A. and R. Belk. 1980. "Predictors of Attendance at the Performing Arts." *Journal of Consumer Research*, Vol. 7, p. 112-120.
- Biggs, P. 2003, 6th May. *Public Lecture*. University of Waikato, Hamilton, New Zealand.
- Creative Industries Task Force. 1998. *The Creative Industries Mapping Report*, London.
- Creative New Zealand. 1999. *Arts Everyday*, Wellington, New Zealand: Creative New Zealand.
- Creative New Zealand. 2000, 18th May. *Government Announces Major Investment in Arts, Culture and Heritage*. <http://www.creativenz.govt.nz/news/archiveitem.html?record=115>, accessed 9/05/2004.
- Cunningham, S. 2002. "From Cultural to Creative Industries: Theory, Industry and Policy Implications". *The Second International Conference on Cultural Policy Research*, Wellington New Zealand.
- Evans, Simon. 2004. "Introduction". *Second International Conference on Creative Industries Development Handbook*. April 28th 2004. England: Creative Clusters Ltd.
- Florida, R. 2002. *The Rise of the Creative Class*. United States: Basic Books.
- Hirschman, E. 1983. "Aesthetics, Ideologies and the Limits of the Marketing Concept." *Journal of Marketing*, Vol. 47, p 45-55.
- Landry, C. 2000. *The Creative City: A Toolkit for Urban Innovators*. London: Earthscan.
- Ministry for Culture and Heritage. 2002. *The Cultural Experiences Survey*. Wellington, New Zealand.
- Ministry of Economic Development. 2002a. *Growing an Innovative New Zealand*, Wellington.
- Ministry for Economic Development. 2002b. *The Creative Industries in New Zealand – Economic Contribution*. Wellington, New Zealand.
- Mokwa, M., W. Dawson and E. Prieve. 1980. (Eds). *Marketing the Arts*. New York: Praeger Publishers.
- Raymond, T. and S. Greyser. 1978. "The Business of Managing the Arts." *Harvard Business Review*. p123-132.
- Rossiter, N. 2003. *Creative Labour and the Role of Intellectual Property*. <http://www.fibreiculture.org/>, Received via email 30th September 2003
- Rt. Hon Helen Clark. 2003. *Announcement of Major Funding Boost for the Arts*, <http://www.beehive.govt.nz/>, accessed 15th October 2003.
- Smith, C., 2000. *Speaking Notes from the Forum on the Creative Industries*. New Zealand.
- Tusa, J. 2003. *On Creativity: Interviews Exploring the Process*. United Kingdom: Methuen.