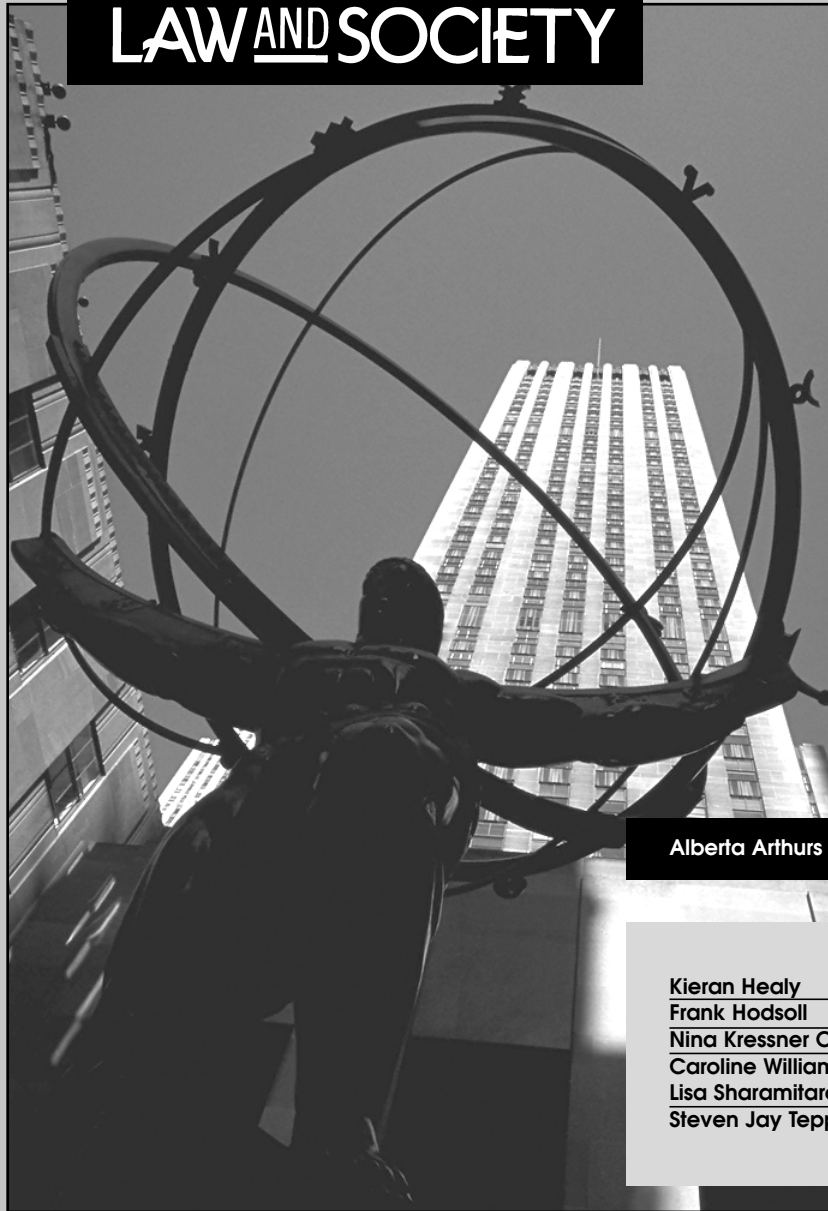


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## ARTS AND CULTURE IN THE NEW ECONOMY

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# What's New for Culture in the New Economy?

KIERAN HEALY

In this article I review and evaluate recent work that argues for the rising importance of the cultural sector, and creativity in general, in the context of the new economy. Each of these key words—*new economy*, *creativity*, *cultural sector*—is ambiguous without further definition. I aim to clarify the big arguments made using these terms and see whether there is good evidence to support them. In particular, I will focus on claims that individual creativity and innovation have become central to economic productivity and competitiveness and argue that, although large-scale structural changes in social and economic life have been evident for some time, recent commentary may oversell or misidentify these shifts.

The paper has four main parts. First, I discuss the new economy and ask whether we really are now living in a global marketplace driven by information technology that values innovation and creativity. Second, I show how these ideas relate to recent research and policy on the creative sector and creative industries. Third, I review two recent efforts to argue that the creative sector and a new creative class are emerging as the most important features of postindustrial societies. Finally, I raise some questions about these arguments.

## CLAIMS OF A NEW ECONOMY

Is there a “new economy”? Commentators seem to have become a little shy of the term recently, perhaps because the old economy returned in the form of

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a recession and a slew of business scandals. But in 1998, when people were more optimistic about the new economy and its prospects, the editors of *Wired* defined the new economy as

a world in which people work with their brains instead of their hands. A world in which communications technology creates global competition. . . . A world in which innovation is more important than mass production. A world in which investment buys new concepts or the means to create them, rather than new machines.

This definition contains three big claims that capture most of what is at issue regarding the new economy. First, advances in *information technology* are said to be having a huge effect on work and industry. Second, the economy has become *globalized*. Goods and services are being produced and traded in world-spanning markets, thanks in large part to the new communications technologies. And third, the *skills and creativity* of individuals are becoming increasingly important in this information-driven, globalized world. Investment “buys new concepts or the means to create them, rather than new machines.”

### **Information Technology**

By now, most of us are wary (and weary) of hype about the Internet and its associated technologies. George Gilder, for example, writing about the revolutionary potential of bandwidth, states:

At the millennium, the incandescence [of fiber-optic bandwidth] is diffusing around the world, offering a promise of new freedom and prosperity. . . . Encircling the globe under oceans and beaming from satellites, the radiance is increasingly eroding the powers of despots and bureaucracies, powers and principalities. (Gilder 2000, 263)

“Sounds amazing,” the skeptical reader might respond, “So why can’t I get DSL service at my house?” The visions of the techno-mavens are often enthralling (see, for example, Dertouzos 1997), but they have a tendency to jump from possible technical innovations to wholesale social reorganization, with excitable prose providing the energy required for the leap. The fundamental problem with Gilder’s variety of forecasting is not that he gets a technology’s characteristics wrong—a network of optical fiber does encircle the globe, and it is a remarkable thing—but he forgets that there is already a world in place when a new technology arrives. That world is not simply to be swept away. The truth about technology’s effects on society is, alas, very messy. In a recent review of research on the effect of technology on work, Liker, Haddad, and Karlin conclude that

the social reality of technology implementation is highly complex. Very different technologies are brought into very different social settings for very different

reasons, often with completely opposite effects and thus complex theories that recognize the emergent and socially constructed nature of technology are needed. (1999, 575)

This ambivalence is a long way from Gilder's lyricism about the pulsing harmonies of light emanating from the telecosm. Expressing caution about the effects of technology does not mean denying the possibility that it might cause some revolutionary change. But the most convincing work in this area does not take a deterministic view. In an excellent early study of computerization in a variety of industrial settings, Shosanna Zuboff (1988) argued that computers changed the skills needed in the workplace. But they also transformed the nature of managerial authority. Zuboff found that information technology could de-skill or re-skill workers, depending on how managers and workers viewed it. She observed that information technology had the potential to retard or enhance the creativity of workers and argued that its final effects were largely the product of social choices, rather than technical imperatives. Zuboff wrote before the growth of the Internet and World Wide Web, but the point still applies. Lawrence Lessig, for instance, has strongly argued that assumptions and decisions about what the Internet is for will end up being built into the code that makes the medium work (Lessig 2000, 2001).

Because the IT revolution is not a unitary phenomenon, it is difficult to make strong, substantive generalizations about it. Depending on the context, e-mail might foster creative, autonomous work groups, or it might be a way for management to spy on workers (Sproull and Kiesler 1991). New software may empower architects and designers, or it might insidiously encourage conformity to established standards (Lunenfeld 2000). Those who study the empirical effects of technical change have noted the often differential effects of technology across different contexts.

### **Globalization**

The second claim about the new economy is that it is global in scope and that globalization is changing the rules of economic competitiveness. In a clear articulation of the mainstream view, Fraser and Oppenheim define globalization as

the process by which the world's economy is transformed from a set of national and regional markets into a set of markets that operate without regard to national boundaries. . . . The increasing availability of global capital, coupled with advances in computing and communications technology, is serving to accelerate the processes of globalization. Economies are becoming superconductors of vast flows of capital and transplants of production techniques . . . Underpinning these changes are three mutually reinforcing factors: [1] The growing scale, mobility, and integration of the world's capital markets. [2] The increasing irrelevance of national borders as regulation is liberalized and other

economic barriers fall. [3] The expanding ability to leverage knowledge and talent worldwide through technology. (1997, 170)

Trade statistics reflect the emergence of a global market. The exports and imports share of U.S. gross domestic product increased from 11 percent in 1970 to 25 percent in 1997. World exports increased from \$1.3 trillion in 1970 to \$4.3 trillion in 1995, in constant dollars (Atkinson and Court 1998, 11). Globalization is not simply about firms exporting more to other countries, however. A more important trend is the proportion of the world economy that is "globally contestable." Firms from other countries now compete in what were formerly local or domestic markets. In 1997, Fraser and Oppenheim estimated that value of the globally contestable portion of the world economy would rise from about \$4 trillion in 1995 to more than \$21 trillion by 2000.

What do these figures mean? Some pundits, particularly in the early 1990s, viewed globalization as bad news for national economies. Lester Thurow, for instance, argued that the United States, Germany, and Japan produced more or less the same kinds of goods and were thus being forced into direct, potentially destructive competition with each other (Thurow 1993). Thurow's book was perhaps the last major example of a once-common genre that we might call "Pick the Global Winner." In that view the world economy was like the World Cup, a tournament where national economies play against each other. The winners would be the teams with the smartest managers and most skillful players.

More recently, commentary has focused on the differential effects of globalization within societies. For some, globalization is a disaster for the majority of workers (Greider 1998); for others, it is the inevitable triumph of free market mechanisms over the "dead hand" of planning and protectionism (Lindsey 2001). In the cultural sector, globalization can look like the devastation of local cultures at the hands of conglomerates or an opportunity for small cultural enterprises to present their work on a world stage (for a discussion, see Blakely 2001). Neither side doubts the significance of the phenomenon.

Nevertheless, there is considerable debate about the effect of trade and international capital flows on domestic economies.<sup>1</sup> The consensus among economists is that the effect is much smaller than either the advocates or the critics of globalization believe (Sachs and Shatz 1994; Borjas, Freeman, and Katz 1997).<sup>2</sup> Paul Krugman, in particular, has repeatedly emphasized that foreign competition cannot be held responsible for economic instability, wage decline, or problems in the manufacturing sector (Krugman and Lawrence 1994). The difficulty of pinning down the effects of globalization has done nothing to rein in the rhetoric from both sides, however. The alleged consequences of globalization suit different political positions. Krugman remarks that "[m]any on the Left dislike the global marketplace because it epitomizes what they dislike about markets in general: the fact that nobody is in charge. . . . Meanwhile, many on the right use the rhetoric of globalization to argue

that business can no longer be expected to meet any social obligations” (Krugman 1998, 76).

### **Skills and Creativity**

The third claim is that the new economy demands different skills from its workers. As the economy churns (thanks to that global marketplace), it puts a higher premium on creativity and the capacity for innovation. A well-known formulation of this argument comes from Robert Reich (1991), who argues that the economic well-being of Americans depends on individual skills rather than the profitability of corporations. In particular, to ensure that people do well requires the right kind of investment in training. The skills of “symbolic analysts” (as opposed to routine producers or providers of in-person services) are most in demand in the new economy. We should therefore be making sure people acquire those skills, he argues.

Reich’s worries about American competitiveness in the global economy are similar to Thurow’s. Both wrote during the recession of the early 1990s, when countries such as Japan seemed to be doing much better than the United States on all fronts. Such fears were forgotten a few years later, when the dot-com boom coincided with prolonged recessions in Japan and Germany. But Reich’s concept of “symbolic analysts” anticipates the present wave of interest in fostering an innovative and creative workforce. Contributors to a recent volume on this topic (Imparto 1999), for instance, argue that “intellectual capital” is the most valuable resource a firm has.

A focus on intellectual capital—and by extension, its container, the innovative worker—is increasingly common. Manuel Castells describes the new economy as a dynamic and information-rich environment that workers must navigate. Labor must therefore be “self-programmable.” Talent is the key resource (Castells 2001). More radically, Ken Robinson (2001) argues that we need to reconfigure our educational, economic, and community institutions to better generate and take advantage of the individual creativity that the new economy demands.

This general line of thinking about a new kind of worker has its roots in thirty-year-old debates about life in the year 2000. It can be traced to Daniel Bell’s work on the rise of postindustrial society (Bell 1976). Bell argued that a number of institutional and functional shifts were occurring in the United States that, taken together, amounted to a new kind of society. These included the increasing centrality of theoretical knowledge to the economy, the growth of a “knowledge class” of scientists and engineers, and a move from manufacturing to services. The rapid diffusion of computers in business during the 1970s, and then in homes during the 1980s, prompted commentators to rename the “post-industrial” society the “information society.” Similarly,

Peter Drucker coined the term “knowledge worker” in the 1960s, describing much the same set of occupations as Bell identified with postindustrialism. Reich’s symbolic analysts can be seen as the next waypoint in this conceptual migration. The latest move has been to capture the emphasis on intellectual capital, flexibility, knowledge, and skill under the concept of the “creative worker.”

#### THE CREATIVE SECTOR AND CREATIVE INDUSTRIES

Like the concept of the new economy, the idea of the creative sector or creative industries has emerged over the last thirty years, with a big push in the last ten. The concept originates in an essay by Adorno and Horkheimer (1977; orig. 1944), where it also takes its most severe and pessimistic form. Flew argues that that classic, left-wing critique of commodified culture is part of a broader “elite disdain for mass media and commercial culture” which “was to some extent mirrored in traditional rationales for arts policy” (2002, 5). Indeed, the origin of many arts organizations can be traced to the efforts of cultural entrepreneurs to define and enforce standards of taste (DiMaggio 1982). Flew suggests that the long-term effect of this high-culture/low-culture divide on cultural policy was counterproductive, as “cultural activities became the focus of policy only to the extent that they failed to reach sufficiently large audiences to be commercially viable” (Flew 2002, 6). By the 1990s, at least partly in response to the political problems this attitude eventually caused, cultural policy advocates in the United States and elsewhere began to push for a new definition of the cultural sector that embraced commercial cultural goods and emphasized the role of arts and culture in promoting innovation and thus economic growth. The vocabulary of the new economy is tailor-made for this project:

We traditionally think of creativity as an attribute of an artist or the arts. Yet creativity is a broad, fundamental notion . . . [that] encompasses innovation, entrepreneurship and expression. It connotes both the art of giving birth to new ideas and the discipline of sharing and applying those ideas to the stage of realized value. (*Collaborative Economics* 2001, 4)

For convenience, we can think of two versions of this idea. The first argues that the creative sector is a rapidly growing part of the new economy. The main questions are how to define this sector, say why it is distinctive, and develop a theory explaining how it works. The second version views creativity as vital to the economy more generally, even (and especially) outside the creative sector, however that ends up being defined, and emphasizes the concept of the “creative worker.” Creative workers, the argument goes, are essential to the vitality of cities and regions and the economic health of the nation.

These ideas converge. In the field of cultural policy, many have seized on the notion that there is some further link between what happens in the creative sector, narrowly construed, and creativity in the broader economy. There are a number of candidates for what that link might be, of varying plausibility.

A small wave of official reports and studies have promoted this new view of the creative sector and creative industries in Europe (Department of Culture, Media and Sport 1998; Feist 2000), the United States (New England Council 2000; National Governors Association 2001), Australia (Department of Communications, Information Technology and the Arts 2000), and elsewhere. As a rule, these reports define the cultural sector to include advertising along with the performing arts, broadcast media along with museums, and software development along with symphonies. Recent studies by economists on this topic reinforce that view, and a thriving field of cultural economics investigates the creative sector in detail (Caves 2000; Throsby 2001; Towse and Khakee 1992). Caves gives the following definition:

“Creative” industries supply goods and services that we broadly associate with cultural, artistic or simply entertainment value. They include book and magazine publishing, the visual arts (painting and sculpture), the performing arts (theatre, opera, concerts, dance), sound recordings, cinema and TV films, even fashion and toys and games. (2000, 1)

Caves aims to provide a theoretical approach that captures the distinctive features of this sector. He argues that economic activity in the creative industries faces peculiar constraints that affect the supply, demand, and pricing of cultural goods.<sup>3</sup> This approach builds on a long tradition of research on the organization of the culture industries in commercial and nonprofit environments (Bielby and Bielby 1994; DiMaggio 1986; Hirsch 1972).

From a policy perspective, a new definition of the cultural sector broadens the scope of cultural policy. If one emphasizes the contribution of the creative sector to the economy as a whole, the problems of cultural policy effectively become the same as the problems of economic policy, insofar as it relates to growth, productivity, and competitiveness. This is much more interesting territory than the old battlefields over state funding for the arts. The next question is whether this new vocabulary reflects real changes in the economy, or is simply a convenient cloak in which to wrap traditional goals. “What has become increasingly apparent in policy debates around the cultural industries,” Flew remarks, “is the extent to which they have been drawn upon by traditional elements of the subsidised arts . . . to accommodate more traditional arguments for arts subsidy” (2002, 6–7). Exciting as it is, the new theoretical work on the organization of the creative industries is not quite enough to convince us that this sector is now central to a new economy.<sup>4</sup> Learning more about how the creative industries work is important to making good pol-



icy about them. But it does not necessarily give enough leverage to lift cultural policy onto a new and more influential plane. Are there strong arguments to support the claim that creativity really is, in Daniel Bell's phrase, an "axial principle" of the new economy?

#### CREATIVITY AS AN AXIAL PRINCIPLE

For Bell, the axial principle of a new social order was "some specifically defining characteristic of the system" that underpinned and explained structural trends in a society (Bell 1976, 18–19). Bell identified the primacy of theoretical knowledge as that principle. In contemporary debate, the question is whether we should tweak Bell's definition a little, so that "theoretical knowledge" reads "creativity" or "innovation" instead. Two recent contributions by John Howkins (2001) and Richard Florida (2002b) suggest, for different reasons, that we should.

In *The Creative Economy*, Howkins defines the creative industries as the sector of the economy whose products fall under the purview of intellectual property (IP) law. There are four main kinds of intellectual property: patents, copyrights, trademarks and designs. Each has its own body of law and administering institutions, and each originated in the desire to protect a different kind of creative product. The strength of protection offered by each kind of law roughly corresponds to the order in which I listed them. Howkins argues that each form of IP law has a large industry associated with it, and together "these four industries constitute the *creative industries* and the *creative economy*" (Howkins 2001, xiii). On this definition, the creative industries constitute a very large sector of capitalist economies. Copyrighted products (books, films, music) bring in more export revenue than manufactured goods like clothes and cars. Britain's biggest single export in 1998 was the Spice Girls. Filmmaker David Puttnam noted in 1996 that Britain's "rock musicians contribute more to the balance of payments than the steel industry" (quoted in Heartfield 2000, 9). Similarly, record numbers of patents have been issued in the United States in the last few years. Creativity—backed up by IP law—is a huge business.

Howkins's definition of the creative economy has a number of advantages. It provides a useful and coherent way of deciding whether a given activity is part of the creative sector or not. Creative industries depend on a state-enforced system of intellectual property rights. By defining the creative sector as he does, Howkins avoids potentially difficult questions about whether this or that occupation qualifies as creative. For Howkins, the "people who print books and build theatre sets are as much a part of the creative economy as those who write and perform on stage" (Howkins 2001, xiv). Howkins's definition enables him to bring together different kinds of creativity under the same rubric, which raises many interesting new questions. In particular, the

sciences are part of the creative economy because their products receive the protection of patent law. Someone more used to creativity in the context of the arts might think that broadening the definition in this way also dilutes it. But there is no denying that science is a creative activity. More importantly, though, the fact that science, like art, is governed by IP law makes it very worthwhile to treat both together. Odd as it may seem, questions of copyright in music share a boundary with questions about the patentability of the human genome. Both can be stored digitally and, in principle, be copied easily. How strong should the ownership rights be in each case? What is the proper public interest in allowing the information to circulate freely? Similar questions arise in both cases, and Howkins's framework makes this clearer. Thinking in terms of a single creative sector also allows us to ask why different parts of it are controlled by different flavors of IP law and to consider the effects of according stronger or weaker sets of rights to different creative products.

A sectoral approach directs our attention to the legal institutions that allow profits to be made from ideas. As Howkins notes, "intellectual property exists only insofar as a government or law court says it does. No law, no property" (Howkins 2001, 24). (This is true of all forms of property, of course.) Howkins keeps the upbeat creative sector label, but it seems to me that the most important question raised by his work is whether the rapidly evolving system of IP law is helping creativity or strangling it to death. Perhaps the creative industries are badly named. I return to this question below.

In *The Rise of the Creative Class*, Richard Florida takes a different tack. He begins with an occupational rather than a sectoral definition, by focusing on the rise of a class of occupations (and the individuals who hold them) rather than a special sector of the economy. Florida argues that U.S. society stratifies into four main occupational groups: the agricultural, working, service, and creative classes. The creative class includes a "super-creative core" of "people in science and engineering, architecture and design, education, arts, music, and entertainment . . . [whose] job is to create new ideas, new technology and/or new creative content." Besides those occupations, the creative class also includes "a broader group of *creative professionals* in business and finance, law, health care and related fields. These people engage in complex problem solving that involves a great deal of independent judgment and requires high levels of education or human capital" (Florida 2002b, 8).

Florida argues that the creative class is now ascendant in the economy. The size of the working class fell by fifteen percentage points from 1960 to 2000. As we have already seen, nonmanufacturing jobs grew to about 80 percent of all jobs by the end of the twentieth century (Morris and Western, 1999). Florida takes the best of these nonmanufacturing occupations and amalgamates them into the creative class. Even with the supercreative core and the creative professionals removed, the residual service class is still the largest

occupational group, making up about 45 percent of the workforce. The creative class comprises about 30 percent of the workforce. About 12 percent of workers are in the “super-creative core.”

Florida's focus on occupational classes takes him in a different direction from Howkins. The idea of a creative sector necessarily plays a secondary role in his analysis. The stagehands and janitors who help keep the local theater running are in Howkins's creative sector, but they are not in Florida's creative class. However, the theater's accountants—as members of the “creative professionals” category—are part of the creative class. Now, whatever their other virtues, accountants do not normally spring to mind as an example of a creative occupational group, at least not in a positive sense. I return to this issue of classification below.

A second feature of Florida's approach is that it allows him to go beyond workplace conditions and take a more comprehensive look at the lives of creative class members. He argues that the members of the creative class “share a common creative ethos that values creativity, individuality, difference and merit . . . every aspect and every manifestation of creativity—technological, cultural and economic—is interlinked and inseparable” (Florida 2002b, 8). Florida devotes a good portion of the book to establishing the reality of this common ethos and its importance in many contexts. It affects the choices that members of the creative class make at work, the kind of jobs they prefer, what they like to buy, how they separate work time from leisure time, and—perhaps most important—where they choose to live. Because the ethos of the creative class applies to all parts of their lives, they prefer cities that offer a variety of ways to be creative (Florida 2002a). Cities that rank high on measures of “technology, talent and tolerance” attract members of the creative class in greater numbers, in a self-reinforcing cycle.

Geographers have been interested in the relationship between capitalism and spatial organization for a long time. Marxian tradition views the city as the spatial expression of capitalism, in which change in urban and suburban environments reflects deeper changes in the political economy of capitalism (Thrift and Peet 1989; Harvey 1989). (This theme has recently been taken up by business strategists, to different ends—for example, Porter [2002].) In particular, cities have become central to the production of a global culture which, paradoxically, is characterized by increased demand for niche-marketed products to satisfy ever more specialized and eclectic consumer tastes (Lash and Urry 1994; Hannerz 1996). The result is that “the culture-generating capacities of cities are being harnessed to productive purposes, creating new kinds of localized competitive advantages with major employment and income-enhancing effects” (Scott 1997, 335).

Florida's argument complements these ideas. His innovation is to characterize professional and high-end service jobs in terms of their creativity and

then emphasize the cumulative effects of individual choices by people in this creative class on the economic productivity and cultural vitality of cities and regions. For those interested in cultural policy, the implications are intriguing. The argument might help explain why the workers that Vicki Smith interviewed were so often willing to take on the arduous demands of the postindustrial workplace—they are imbued with a creative ethos that drives them to take on new challenges. Although Florida does not say much about its origins, presumably it is a good thing to encourage this ethos. After work, the creative class want to have interesting and challenging activities available to them. The arts and music scene in a city is very important to them. They want to live in a place that has a good buzz; cities should consider this as they invest in urban development. Fostering a creative community is the key strategy: “The bottom line is that cities need a *people strategy* even more than a business strategy. This means supporting creativity across the board—in all its various facets and dimensions” (Florida 2002b, 283).

#### QUESTIONS AND CAVEATS

The claims of Howkins and Florida complete a chain of argument about what is new for culture in the new economy. Boiled down to a few sentences, it goes like this: The new economy is a global system based on information technology, knowledge, and innovation. It has created a new corporate form that is flexible and network-like. Its labor markets are churning and uncertain. It produces well-designed, niche-marketed goods and services whose main value is the intellectual property they embody. It is staffed by hard-working and creative people who like to be challenged at work and at play. Those people choose to live in interesting, culturally rich, tolerant places. It sounds exciting. Is it true?

#### **How Are the Creative Sector, the Creative Worker, and the New Economy Related?**

Both the sectoral picture of the creative industries and the occupational picture of the creative class are attractive to those interested in broadening the scope of cultural policy. But there are myriad ways to think of why each is important to the new economy. Commentators variously claim that (a) the creative sector will continue to grow, justifying more research and explicit policymaking in this area. It will be important to understand how the creative industries work simply because they keep increasing in size. (b) Because the creative sector has had uncertain labor markets, flexible collaboration, and project-based work for a long time, it is a miner’s canary for the wider economy—we can understand the new economy better by looking at the experi-

ences of people in the cultural sector. (c) Creativity in general is becoming increasingly important to competitiveness, so the skills of people working in the creative/cultural sector will be highly valued; and (d) The creative class is itself intensely interested in cultural goods of many kinds. So cities should invest in culture; and so forth.

There is some plausibility to each of these claims, and it is possible that they might all be true. But they are heterogeneous and suggest a variety of possible outcomes for art and culture—some good, some bad—depending on where one stands. The first, about the continuing expansion of the creative industries, is the easiest to defend but establishes little in itself. Cultural policy will become more important as the creative sector grows, but what kind of policies? And can there be any shared policy agenda among the diverse interests encompassed in the broad definition of the creative industries? The truth of the second claim, about the relevance of the creative industries' labor markets to the rest of the new economy, is unclear. Are the labor market experiences of a project-based stage actor relevant to those of a project-based systems administrator? And is the artistic labor force a good model in any case? For instance, Menger (1999) notes that the labor market for artists is beset by chronic oversupply and above-average rates of poverty. Of course, this is just to say that the lessons of the creative sector may be disheartening. The third claim has not really been established empirically either. But if people from the creative sector will be in demand, they will not all equally be in demand. Computer animators and Web designers will fare differently in the market than piano teachers and ballet dancers. Moreover, at present there is no obvious way for firms outside the creative industries to tap into the skills of artists and creative workers, and there are no good theories about whether and how these skills are transferable. Finally, the interest of the creative class in cultural goods may be consistent, but it is unlikely to be uniform.

The growth of the creative sector implies increasing internal heterogeneity. Thus, the problems of resource allocation, competing constituencies, and multiple goals that bedevil any large policy area will inevitably arise in this one. So far, there has been very little consideration of this issue.

### **Does the Creative Sector Foster Innovation?**

A second question concerns the relationship between creativity per se and the creative sector. Creativity by itself will not make anybody rich; intellectual property laws do that. Howkins writes about Andrew Wylie, a literary agent with an aggressive attitude about property rights. Wylie "believes people should be able to own their copyrights as robustly as they can own their physical property. Owners of trademarks and brands own them totally and forever. But owners of literary rights do not." In consequence,

Walt Disney Corporation, which operates a trademark business, can invest in its intellectual properties as confidently as someone investing in their own home. But people who own a copyright business, or a patent business, cannot. Lewis Carroll's *Alice in Wonderland*, which is a copyright business, has no permanent existence. Its owners, [Wylie] says, cannot justify an investment in a Wonderland. . . . Wylie says that, if William Shakespeare had been able to protect himself by trademarks, the Shakespeare business would be bigger than the Microsoft business. . . . He points out that James Joyce and William Faulkner are diminishing assets and will become worthless . . . this discourages a proper business attitude to investment. (Howkins 2001, 20–21)

Wylie could hardly have chosen a better set of examples for the point at issue. Disney made a great deal of its money by taking fairy tale characters out of the common culture and turning them into trademarked icons. Shakespeare borrowed his plots and characters wholesale, to put it charitably. If Shakespeare is to have IP protection, there is no reason why the family of the tenth-century Icelandic poet Snaebjörn, who wrote a very similar story, should not countersue for the rights to *Hamlet*.<sup>5</sup> Henry Jenkins has pointed out that the main reason *Alice in Wonderland* is so well known today is that “between 1869 and 1930, some 200 writers imitated, revised or parodied” Carroll’s work (Jenkins 2000). And as for James Joyce—well, the “Oxen of the Sun” episode in *Ulysses* leaves him open to lawsuits from just about everybody from the author of *Beowulf* to Thomas Carlyle.

Howkins, of course, is aware of this problem. He notes that the public interest is poorly represented in the world of IP law (Howkins 2001, 81). A name like “the creative sector” suggests a host of independent artists and scientists working away on their projects and getting the credit they deserve for them. But IP sharks like Wylie belie this image. Perhaps the axial principle of the new economy is not creativity and innovation, but rather the concentrated ownership and control of ideas. In that case, the “IP industries” might be a better name for this sector. The goal is not so much the fostering of creativity as the ever more fine-grained control of existing goods (Bettig 1997). The Internet, and digital technology more generally, is potentially well suited to this project. Rather than propelling us into a creative and innovative future, the IP industries and information technology may privatize our culture and sell it back to us on a pay-per-view basis (Healy 2002; Lessig 2001).

### **Is There Really a Creative Class?**

Florida makes bold claims for the existence and importance of the creative class. Do they hold up? He rejects the idea that many U.S. workers live in a “white collar sweatshop” (Fraser 2001). He cites a high-tech worker writing to *Fast Company* magazine, who said “Nobody held a gun to anyone’s head. . . . It seems as if the American work ethic of the New Economy . . . turned us

into such whores that it's all for sale if the price is right!" (Florida 2002b, 134). But unlike that person, Florida argues that

most of us are not even doing it for the money. Members of the creative class do it for the challenge, the responsibility, for recognition and the respect it brings. We do it because we want to work on exciting projects with exciting people. We do it because as creative people, it is a central part of who we are or want to be. . . . [C]ompanies try to motivate and persuade us [to work harder] rather than boss or bribe us . . . and we are most willing to be seduced. . . . I call this "soft control." (Florida 2002a, 134)

So are we workaholics or intense creatives? In his book Florida reprints a very funny monologue by performance artist Steven Tomlinson, given at a conference that Florida attended in Austin. Tomlinson gives a mock new-economy pep talk, complete with PowerPoint slides, talking about how "start-up stars and dot.Commandants" have "bought into our non-diversified *Deferred-Life Plan*." He has some strategies to make sure that they buy:

Strategy 1. Denial. . . . Keep in mind, we're talking about desperate customers who can barely afford the minimum payments on their maxed-out self-delusion. . . . Strategy 2. Sunk Costs. . . . [T]hey're fully vested in our definition of success. "If you crap out now, you lose everything—money, respect, and your Elite Status in our Preferred Customer program." . . . Strategy 3. Speed. Fear's great, but frenzy's better . . . Get people back on autopilot. Always on. 24/7. Focused on success. . . . Deferred-Life customers like speed, because they less they think, the better they feel. (Florida 2002b, 155–8)

Florida interprets Tomlinson as saying that "while the IPO pipe dream may have cooled off, the desires that motivate people to a front-loaded career—and the 'deferred-life plan'—persist. . . . The star track is the hook in the mouth of the young Creative Class person on the make" (Florida 2002b, 159). An alternative reading, however, is that Tomlinson's monologue is a land mine buried in the middle of the argument for the creative class and that his picture of soft control uncomfortably resembles Fraser's white-collar sweatshop. Because we cannot get inside the heads of everyone in the work force, to some extent this question turns on how you interpret the evidence. Florida's research suggests one picture: Fraser's and Vicki Smith's a somewhat different one. We need more research that tries to understand the motives and attitudes of these workers.

A second question is whether the creative class is a coherent group of occupations. Florida uses Standard Occupational Classification (SOC) codes to derive the classes. The supercreative core includes all computer and mathematical occupations, for instance. Some of the occupations in this group—ones with many workers in them—seem hard to classify as supercreative. SOC code 15-1041 is "Computer Support Specialists." Tech support is not a creative job. Particularly in telephone support, it mainly involves mechanical-

ly navigating pregenerated question-trees to isolate problems and then reading out the prewritten answer. It is the new economy alienated, low-status job par excellence.

Examples like this could be multiplied, from both the supercreative core and the creative professionals branch of the creative class. Even jobs that seem unquestionably creative may be changing substantively. Computer programming, for example, is often thought of as a paradigmatic new economy job. Yet many programming jobs are routine and uninteresting, and the jobs themselves are prime candidates for de-skilling. Nerd culture is full of terms expressing this anxiety—no one wants to be a code monkey in a cube farm (Daisey 2002).

Finally, Florida himself worries that the creative class he has identified will not behave as they should. He ends his book by urging the creative class to “grow up” and “evolve from an amorphous group of self-directed, albeit high-achieving, individuals into a more cohesive, more responsible group.” He is aware that “informing creative people everywhere that they are now members of a new class [and] telling them to develop a corresponding class-awareness” is “putting a lot on the line.” But he feels that the “challenge before the Creative Class is a tall order,” and they need to be encouraged to get working on it (Florida 2002b, 316–17). If people do not oblige—if they show no evidence of thinking of themselves in these terms—the potential social impact of the creative class is greatly weakened. It would go the way of the symbolic analysts, the free agents, Generation X, and other groups that have only a weak basis in the identities of real people. Given the difficulties involved in constructing the class definition, I am skeptical about the reality of the creative class. But the jury is still out, and Florida’s analysis is important because it outlines a way that creativity could become the kind of axial principle that Bell discussed.

## CONCLUSION

The structural changes marking the transition to a postindustrial economy were visible from the early 1970s. The institutional reconfiguration they prompted in firms and labor markets began to become clear in the 1980s. In the 1990s, the sudden shock caused by the Internet accelerated the changes and propelled commentary about them into orbit—hence the new economy hype at its worst. But the most recent round of analysis and debate has begun to put things in better perspective. In this article, I have discussed three themes in this debate, which we can arrange in increasing order of ambition. First, the growing importance of the creative industries has led to a resurgence of interest in understanding how they work. Second, the expansion of property rights in intellectual property has led scholars to think of innovation of all sorts in terms of the laws that regulate its ownership. Third, changes in work life and labor markets have led to efforts to understand the motivations of workers in



terms of their willingness to take risks, bear uncertainty, and seek out creative and challenging places to live and work.

These themes should not be dismissed out of hand, but I did present some questions and caveats about them. Analyses of the creative industries might not generalize to other sectors of the economy, or might apply in unexpected ways. Excitement about the new importance of intellectual capital and creative goods should be tempered by a concern for the long-term effects of IP laws on innovation. And we should look carefully before reclassifying service and professional workers as creatives. The point here is not that nothing has changed. Quite the reverse. The structural changes have been so big that their effect cannot possibly be summed up in a simple slogan. There *is* something new for culture in the new economy—but not only one thing. The focus on creativity and the creative sector provides a useful way to begin analyzing the postindustrial economy. Those interested in promoting arts and culture in this new environment, however, should bear in mind the difference between using new economy jargon to give “a bullish defence of the arts in economic terms” (Heartfield 2000, 10) and finding out what is actually happening.

*Key words: creative sector; information technology; globalization; creative class*

#### NOTES

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1. Here I am indebted to Morris and Western (1999) for their excellent review and discussion of these issues.
2. But see Leamer (1994) and Wood (1995) for alternative arguments.
3. For example: high uncertainty about the demand for any particular cultural good; artists may care about (and thus continue to produce) their work, independent of its commercial value; diversity of creative and mundane skills required to produce cultural goods; and durability and replicability of cultural goods and property rights questions this raises.
4. Not all of the scholars doing this work would make that claim, of course.
5. Shakespeare's use of *The Murder of Gonzago* in act 2 undoubtedly goes beyond the bounds of fair use as well.

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