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Creativity and the creative industries: some observations on tensions around building creative industries in Australia and New Zealand

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Abstract

Suzette Major and others have identified a Bakhtian dialectic tension between culture and industry. Such a dialogue has been a trademark of culture and the arts, particularly in areas where commerce and culture seem to 'clash' or where policy in relation to government subsidy has subsided requiring more entrepreneurship of the arts. In Australia this tension has been particularly evident in the ongoing debate around the dichotomy of either cultivating a film industry or a film culture - as if you could only have one or the other, but is not restricted to this sector (Dermody and Jacka 1987; O'Regan 1996).

This paper first looks at the position elicited by Major and compares some insights with the Australian condition. It proceeds with investigating how issues on the duality between culture and commerce have been problematised and finally suggest ways in which emerging business models and cultural policy are attempting to reconcile this dilemma.

Biography

Christine Burton is a senior lecturer and the Course Director of Graduate Programs in the School of Leisure Sport and Tourism. Christine joined UTS in 1998 and her research interests focus on the future of museums in a changing leisure environment, comparative evaluation of public art policies and social impact of the arts. Prior to joining UTS, Christine worked as an arts consultant and arts manager in Australia and in the UK. Her consultancy focus has been in the areas of business planning, cultural planning and feasibility studies for performing and visual arts organisations and advising governments on cultural development at national and regional levels.

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Introduction

Major suggests that in many ways the development of the creative entrepreneur was a policy initiative designed to catapult nascent New Zealand creative industries onto a national and international stage. She suggests that the trajectory for this initiative stemmed from two sources: one that injected capital into the major performing arts companies and other national cultural bodies; and another that injected capital into the film, music and broadcasting sector. These two sectors essentially fall into the non-profit sector on the one hand and the for profit sector on the other. While the nonprofit and for profit sectors are different there are some synergies and inter-relationships that may be elided in the paper, discussed further.

One of the ongoing rationales, used extensively in Western countries, for the injection of capital into the creative industries and the arts is connected to their GDP contribution (Tims and Wright 2007; Australian Bureau of Statistics 2008). However, this type of advocacy does not necessarily serve the sector well because of the conflation of figures relating to the different non-profit and for-profit sectors. It is often convenient to conjoin commerce and culture when it advances the seeming poor cousin of the arts. This type of advocacy may deny the legitimate contribution the non-profit sector contributes in the form of research and development or other heritage benefits (Throsby 2001).

In undertaking empirical research into the attitudes to entrepreneurship and building a business among cultural practitioners, Major attempts to locate the tensions around creativity for its own sake and creativity in pursuit of a legitimate career. It has often been thought that these two positions are irreconcilable. Perhaps these differences are artefacts of a mindset that locates the artist as hero and where commerce equates to contamination. Major's herself has identified the duality in the form of the self-proclaimed *creative entrepreneur* on the one hand and the self-proclaimed *artist* on the other.

In her research Major has not really explained the definition of a creative entrepreneur and how this might be qualitatively different to an artist. How far along the spectrum must you venture before you convert from an artist exhibiting in an Artist Run Space to an artist exhibiting in a commercial gallery – is one more entrepreneurial than the other, and if so - which? Or is the divide between the tools used to generate art: that is, digital creativity and 'manual' creativity? Is this divide essentially between those who are still emerging and those who have identified a niche and developed a marketable product or service? If we are to really tease out the issues then we too need to be clear about what we are comparing operationally.

For example, should we be comparing different levels of filmmakers and the collaborative effort that is embedded in filmmaking with different levels of performing arts and its own collaborative network? Should we be comparing digital artists with digital creative suppliers in a chain selling to more commercial enterprises? Of course, compounding such neat divisions is the artist who travels between the divide – those who feed their own work on the basis of their creative day job; those who work in film and the non-profit performing arts sector; those who work in advertising and produce their own art (Cunningham 2007).

One of the essential problems around the notion of creative entrepreneurship rests with the definitions of creative industries and the arts. Galloway and Dunlop (2007) trace the different definitions of creative industries and how the concept of cultural industries has been abandoned in favour of this more contemporary and seemingly more accessible notion of creative industries. Creative industries encompass film, new media, niche and broadcasting, music, advertising, writing, performing arts, visual arts, craft and so on.

Yet in reality it is the publicly funded arts that seem to struggle to find a place within this spectrum.

One of the issues brought up by Major's work and I think it is an important one, is who is this art for? She rightly identifies that those identifying as artists, suggest that their integrity is tied to supply; while creative entrepreneurs are more demand driven. Again this is a well exercised duality that refuses to be reconciled (Radbourne and Fraser 1996), although it has become a norm that those who identify as artists and are in receipt of public funding are required to account for their funding. The expectation of funding in exchange for some perceived beneficial outcome has resulted in other arguments around instrumentality and public value (Holden 2004; Craik 2005; Moore and Moore 2005; McCarthy and Jinnett n.d.) where art for art's sake has been backgrounded (Caust 2003).

Observations on the Australian position

Interestingly, Major suggests that the New Zealand innovation framework, *Growing an Innovative NZ* identified three key industry sectors earmarked for innovation incubation. This is not dissimilar to the Enterprise Connect initiatives in Australia (Department of Innovation Industry Science and Research 2008). In Australia concepts and business models for creative industries are beginning to be developed through a Creative Industries Innovation Centre located at the University of Technology Sydney as part of the federal government's Enterprise Connect umbrella. Such investment in creative industries and creative innovation sits alongside studies into drivers and barriers of innovation in all industries but which fail to mention the potential or actual contribution of creative artists or creative industries (Cutler, 2008a, 2008b). Perhaps there is a bi-polar approach to concepts of innovation and creativity in policy making terms at the national level when it comes to arts and creative industries. It seems that significant investment can be made into a Creative Industries Innovation Centre whereby the creative industries and the arts are signalled out for attention in terms of their potential contribution to innovation. But in the more extensive review of industrial, scientific and technological innovation that will inform infrastructure development at a national level, creative arts and culture do not figure. This signals that creative industries are siloed, separated from the real economy and once again marginalised as a niche or hobby occupation. Is this reconcilable and if so what frameworks might support such reconciliation and what examples might illustrate an emerging paradigm?

Where creativity and industry meet

Sasaki in Holden (2007) suggests that arts and creative industries are inextricably linked through a concentric circle 'ripple effect'. At the heart of the concentric circle are the non-profit arts that diffuse to the wider creative marketplace and commercial culture. Holden suggests that the creative marketplace draws on the wealth of resources provided by the arts and kept alive by those working in the subsidised sector. Although he maintains that there is a symbiotic relationship between the centre (arts) and the outer limits (creative industries) the connection suggests a rather stagnant centre and one whose value is dependent on its contribution to a more commercial dynamic sector.

Recognising the potential stagnation of the arts, policy initiatives have been instigated to ensure the sectors' vitality. This is at once evident in the tension that has emerged between the value of the major performing arts organisations and the small to medium performing arts companies (Nugent 1999; Committee of Inquiry 2002). Mirroring the Sasaki model, one of the 'ripple effect' roles played by the small to medium arts sector is a feeder for the more prestigious and wealthy major sector. Yet it is difficult to see how the diversity of the small to medium arts sector fits with the more traditional role played by orchestras and theatre companies, dance or even circus arts as a natural destination. It is also difficult to see to what extent the creative activity that occurs within the small to medium performing arts sector influences the major performing arts sector. This is illustrated by an Australia Council report (2008) outlining how major organisations might respond to challenges posed by digital technology. The responses included broadcasting opera on ABC2 or in cinemas through to digital education delivery to school children and young adults. Working in collaboration with new media or hybrid artists in the small to medium sector was not mentioned.

Ultimately of course, and in many respects, the bottom line in all of this is the bottom line. The pursuit of scarce resources sharply focuses strategic thinking and planning in business and in the arts. Given that scarce resources may be even scarcer in the arts world, is it any wonder that those who are unlikely to be part of the subsidised club or who are unlikely to survive the marketplace eschew transactions between art and money in favour of the moral high ground. How can we then ameliorate the distinction between creative entrepreneurs and artists?

One way forward may be to look at the notion of risk. It is often proposed that the more challenging the work, the greater the risk in terms of public acceptance. Challenging work may be the province of the artist rather than the creative entrepreneur, although there may be no reason to assume that entrepreneurship equals easy. Rather it may instead equal innovation backed up by business planning. In their study on the music industry in Britain, Wilson and Stokes (2003) suggest that there is a mismatch between understanding the requirements of creativity and translating this into innovative enterprises. Although their study looked at creative individuals and micro-businesses and their relationship to financial managers and entrepreneurs in the business sector, there are some parallels between the notion of artists and creative entrepreneurs. For innovation to succeed, the mutual talents of creative artists and creative entrepreneurs need to be harnessed.

The reconceptualization of creative entrepreneur as encompassing both artistic endeavour and creative management is evident in policies initiated by the Australia Council (2007). Based somewhat on the concept of New Product Development espoused by Crealey (2003), this policy is not without controversy. The *Make It New* initiative categorises the small to medium performing arts companies as either Hubs or Explorers. Hubs can be both presenters and producers but must consistently develop high quality work of their own or of outside producing companies. Explorers are those developing their own distinctive contemporary artistic work. Unlike Hubs they are not a resource for other companies but are reliant on their own artistic integrity and reputation. The impetus behind this new policy was to invest in emerging artists although in its present iteration this may have been at the expense of existing companies such as Sidetrack Performance Group, de-funded in 2008 after 28 years of Australia Council continuous support (Schwartzkoff 2008).

Crealey's (2003) slightly different model also proposes a notion of shifting risk from individual producing companies to a joint venture between producers and presenters. Using a stage-gate system, common in innovative processes (Von Stamm 2008), Crealey suggests that the Powerhouse in Brisbane diffuses risk by testing work in development at various stages with targeted audiences who are likely to appreciate emerging work. This not only ensures a safe environment for the work but also allows for genuine feedback to the producing artists. Prahalad and Ramaswamy (2003) described this approach as a co-created network space between the producer and consumer of products. Hearn, Roodhouse and Blakely (2007) took up the proposition of co-creation and the network space in relation to the arts . Co-creation and network spaces may pave the way for a prolonged lifecycle of the artistic product which can tour beyond its safe venue or be captured (and potentially commercialised) through digital technology.

Despite controversy, the principle of the *Make It New* policy and the model developed by Crealey is interesting and at its centre addresses the concept of risk, creative entrepreneurship, co-creation and protecting and nurturing artistic endeavour.

Carriageworks in Sydney presents yet another model of attempting to mitigate risk while guarding artistic integrity. Carriageworks was an initiative of ArtsNSW and opened in 2007. Built on the site of Everleigh rail yards at a cost of $49m, it retains industrial heritage aspects as part of a rezoned cultural, business and residential precinct (Lawson 2006; Schwartzkoff 2008). The idea behind Carriageworks was to create a home predominantly for contemporary small to medium performing arts companies. These include Performance Space, ERTH, Force Majeure, Stalker and other small arts and cultural companies, Playwriting Australia and Bilbi Aboriginal Languages Centre.

The public company management structure of Carriageworks includes the CEO, marketing and artistic development positions. Its mission is to support arts companies while becoming independent of government revenue through renting space to commercial enterprises. Such rentals include launches of Silverchair albums, fashion week backdrops, Finders Keepers markets for emerging fashion designers (a bi-monthly event) and television productions such as *So you think you can dance* (Strickland 2008). Beyond these short-term rentals, there is a financial imperative to negotiate long-term commercial rentals and joint ventures. Since its inception in 2007, Carraigeworks has managed a long-term rental with the commercial Anna Schwartz Gallery (Perkin 2008). This is a competitive coup given the hub of commercial visual arts emanates from Dank Street Depot operating in the adjacent neighbourhood.

While a significant portion of the total venue is fully developed and functioning, a further 14,000 square metres remains under-developed. The future development is dependent on securing a partner (either as a joint venture or independent developer) to generate an income of $2m per annum to support the arts (Schwartzkoff 2008). This development may house more commercial operations such as a cinema, residential or combination development (Hunt 2008).

Similar to Rentschler's model (2002) where attributes of entrepreneurialism embed high funding diversity and high levels of creative programming, Carriageworks exists to present diverse contemporary art production supported through a combination of public funding, commercial activity and attracting creative enterprises as anchor tenants. In the established section, the arts work alongside the more entrepreneurial activities. Yet, in many ways there is no real dialogue between the two. There is a physical disengagement between the Anna Schwartz Gallery, the television studios and the resident arts companies, although both lend brand cache to the operation of Carriageworks as such (Perkin 2008).

While not suggesting that this is in any way a perfect model or the ultimate solution to the duality between artists and creative entrepreneurs, it does present a way forward for further critique. The issue still at stake in an enterprise like Carraigeworks is that it is structured in a way that maintains the duality between arts and creative enterprise. The management of Carriageworks is entrepreneurial at its core – but it does this in order to protect the publicly funded arts companies and shield them from market forces in terms of rent and facilities. It pursues partners and anchor tenants that can afford commercial rent but that also fit with the notion of creativity and culture. And so the tension continues, but perhaps in a less disconnected way.

Although almost everywhere we care to look the duality between arts and creative entrepreneurs seems ever present, nonetheless it may be diminishing with the rise of new generations who do not hold such distinctions. The boundary between consumer and producer is becoming increasingly blurred (Tims and Wright 2007). Through social networking and other forms of digital engagement, creativity may become more dispersed (Cunningham 2007). At the same time, consumers are increasingly looking for value through participation and co-creating experiences that have meaning for them (Prahalad and Ramaswamy 2003; Hearn et al. 2007) . This may be irresistible to emerging artists as well as creative entrepreneurs. The choice to be one or the other may be a choice that does not need to be made with new generations of creators displacing the old duality and joining the long tail of survivability (Anderson 2008). This may mean that notions of supply and demand need to be re-thought, for it is around this duality that notions of creative entrepreneurship or artists coalesce. What this then calls for are different ways of resourcing creative and cultural entrepreneurship that combine public subsidy with prescribed private funds, venture philanthropy and traditional lending institutions. The shift away from supply driven artistic production to a more entrepreneurial co-created experience reflects Drucker's suggestion that '…people no longer buy into charity, they buy into results' (Dees, Emerson and Economy 2002, p. 118). This does not necessarily mean an end to artistic freedom or individuality for artists but rather a new way of engaging with consumers as partners in the creative process.

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