



CULTURE AND CONTESTATION IN THE NEW CENTURY



Culture and Contestation in the New Century

Edited by Marc Léger



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A series of essays by internationally renowned artists, scholars and critics in the growing field of cultural theory, *Culture and Contestation in the New Century* examines the conditions of cultural production in the century's first decade. With an emphasis on how current neoliberal policies have affected institutions of cultural production and dissemination, it highlights the ensuing changes to critical theory. The contributors here are among the most respected scholars in art, art criticism and cultural studies, and this powerful analysis poses important questions about cultural democracy and social change.

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Chapter 6

Creative Industries: Neo-Liberalism as Mass Deception¹

Aras Ozgun

Post-Fordism and Cultural Production

The constitutive elements and consequences of post-Fordism are still today a matter of debate. Even naming this new form of capitalism becomes an issue, since 'post-Fordism', 'post-modernism' and 'post-industrialism' all stress different features in reference to past forms. One common idea is that the changes brought forward by this new form of capitalist production are profoundly structural and mark the end of the 'Fordist', 'industrial' period. In the new form of capitalist economy, 'post-Fordist' decentralization and flexible accumulation replace centralized accumulation regimes, and advanced communication, representation and reproduction techniques (such as the Internet, computer communications and digital imaging technologies) take over the predominance of productive machinery. Capitalist production takes advantage of such a technological shift for creating flexible, decentralized administrative and production strategies, and for outsourcing production to underdeveloped regions where labour costs are cheaper, all the while maintaining the administrative bodies in the centres of global finance. In this way, global markets alter national borders and geographical distances, and international capital flows surpass the national scale of economies.

Although the degree and structural functioning of post-Fordism are still debated, one focus of this debate is the extent to which this new form of capitalism relies on the production and distribution of immaterial goods, traditionally thought of as 'cultural goods'. Not only this but also the extent to which it incorporates production methods, value forms and circulation systems that have hitherto been considered as means of cultural and artistic production. Statistical reports as well as economic analyses, management strategies and business reports show that the distinction that Marx made between productive labour and unproductive labour, which has always been questionable, has now shifted to the advantage of the latter.² The types of labour that Marx once considered 'unproductive' have become the primary forces that generate 'value' in this new economy. Current developments point to the fact that not only has immaterial 'intellectual property' become the hegemonic form of capital but also that 'immaterial labour' itself, the very creative activity that produces the intangible products, has become the hegemonic form of labour and the primary source of surplus value production. David Harvie makes this explicit in relation to the US economy:

[Fred] Moseley estimates that the ratio of the number of unproductive to productive workers in the U.S. economy increased by 82% over the period 1947–1977. By 1977

‘almost half the total wage bill of capitalist enterprises was paid to workers who performed unproductive labor ... [and] we have the striking result that over half of the surplus-value produced by productive labor was used to pay the wages of unproductive labor within capitalist enterprises, or inversely, that less than half of the total surplus-value was available for capital accumulation and for other purposes’ (Moseley 1983: 183). The ratio of unproductive to productive workers rose by a further 20% between 1977 and 1987; by 1987 ‘unproductive’ workers comprised 44% of U.S. employees ... Shaikh and Tonak broadly concur. They agree that the proportion of ‘unproductive’ labor in the U.S. economy is increasing, but suggest that it was already above 60% for the 1980s.³

Although a ‘purer form,’ as Fredric Jameson calls it, the new form of capitalism is no less paradoxical than its previous incarnations.⁴ In the current conjuncture, however, and if the picture I will try to summarize reflects any truth, one big paradox covers the entire surface of capitalist production like a thin layer of ice: while the logic of capital accumulation necessitates forms of appropriation and privatization, the main productive forces for this new form of capitalism employs immaterial labour processes, and the commodities it produces (like various forms of linguistic, informational and affective production) are necessarily collective, ‘immeasurable’, and resistant to the appropriative logic of capitalism and its value system. For this reason, as Antonio Negri, Michael Hardt, Maurizio Lazzarato and others have argued, and in order to overcome this challenge, the new capitalism has to intervene directly in the biopolitical fabric of social life, redraw the boundaries, restructure everyday language, redefine concepts and reform identities.⁵ In his later works, Foucault had already shown that neo-liberalism, as the ideological component of post-Fordism, is not merely a corrupt economic formula but an advanced form of governmentality that re-negotiates the social field through biopolitical interventions. For these reasons, the discourse of the ‘creative industries’ (CIs) should be understood as more than just a post-Fordist economic program, but precisely, as an intervention into the biopolitical production of the everyday.

Creative Industries

As a relatively new term, ‘creative industries’ has quickly become a ‘buzzword’ as well as the focus of countless policy-oriented studies in urbanism, media and cultural studies, economics and sociology. Within a few years, an immense literature has developed around this subject, most of it eager to champion the idea rather than raising critical questions. Never before have these disciplines been so happy to employ MBA terminology as part of an exploration of the common grounds of policy-making.

In one of the only critical studies on the subject until quite recently, Nicholas Garnham notes:

In the arts policy documents produced by the British Labour Party prior to its 1997 election victory, it used the term 'cultural industries' to describe the range of activities with which it was principally concerned. In the government policy documents it produced after victory in that election, the organising term shifted to the 'creative industries'.⁶

At the level of policy-making, this program recognized the economic importance of certain cultural fields, such as software production, informatics and electronic media (also called 'copyright industries'), and prioritized these as a key strategy for economic growth. In the following years, these policies became effective in revitalizing the economy of certain 'de-industrialized' areas in Great Britain such as Manchester, which is often presented as a success story for creative industries and post-industrial urban and economic growth. The success of particular cases has to be considered alongside the dotcom boom of the late 1990s (emerging mostly in the United States but having international repercussions) and the general conditions of the British economy, which had already shown a strong tendency towards post-industrialization. British music exports, for example, exceeded the value of heavy industry exports in 1994 and have continued to do so ever since.

On the other side of the Atlantic, the United States had experienced its post-industrial turn even earlier than Great Britain, with exponential growth of the service sector, media industries and the dotcom boom. Along with this, there appeared a large volume of business management literature devoted to the question of 'intellectual capital' and the management of 'creative assets' and that was designed to develop managerial strategies for the re-organization of the corporate structures of capitalism according to immaterial production. The most visible effect of the new economy on urban life was the flow of cultural producers and artists to urban centres and the consequent creation of new urban forms. In neighborhoods like Williamsburg, New York, residential and commercial practices merged into one another, producing a rich urban experience that is focused on cultural activities. The economic revitalization of de-industrialized cities, as such, led to a line of optimistic literature that expressed an unflagging belief in the promises of this new economy, its productive agents, and its promise of a better life. Richard Florida's *The Rise of the Creative Class* is perhaps the most influential work in this regard.⁷ Not surprisingly, the main audience for this book turned out to be the executive cadres of the new economy, which he numbers among the constituents of the 'creative class'.

In Europe, a similar interest was developed under a specific condition: the political and economic restructuring brought about by the European Union. On the one hand, the positive picture of post-industrial urban economic development displayed by the British and American examples inspired the European policy makers who began to contemplate turning the existing wealth of 'cultural capital' into a truly productive economic wealth. On the other hand, the example of Great Britain and the United States provided an ideological 'armament' and an 'operational logic' for neo-liberal policies that favoured the dissolution of welfare and socialist state policies. Since the beginning of the modern age, and as part of the ideological legacy of enlightenment, artistic and cultural production has been

perceived to be in close proximity with the 'public good' and has been supported by public funds and resources. Because of this, the concept of the 'creative industries' has appeared with a twofold objective: first, the creation of new resources for capitalism, and second, the creation of resources through the privatization of a field that has been accepted as an essential component of 'public life'.

In the past twenty years, a considerable amount of policy-oriented research has explored and exploited the economic potential of the 'creative industries' in major European centres of cultural production. The cultural potential of places like Berlin, Vienna and Barcelona has been studied by public and private institutions, by local administrations as well as by EU institutions. These researches and their findings are highly publicized and used for formulating cultural/economic policies. Like much research, they are also helpful in justifying already existing tendencies. In short, as a result of these efforts, and with almost no criticism, the public debates concerning cultural policy were indexed to the concept of the 'creative industries', which suddenly became a buzzword in the field of everyday life as well as policy-making. As Garnham observes,

It serves as a slogan, as a shorthand reference to, and thus mobilizes unreflectively, a range of supporting theoretical and political positions. This lack of reflexivity is essential to its ideological power. It disguises the very real contradictions and empirical weakness of the theoretical analyses it mobilises, and by doing so helps to mobilise a very disparate and often potentially antagonistic coalition of interests around a given policy thrust. It assumes that we already know, and thus can take for granted, what the creative industries are, why they are important and thus merit policy initiatives.⁸

Case Study: 'After All, Culture is Life-Style'

While I seek to expose the very real contradictions and empirical weaknesses of the discourse on the 'creative industries', as well as the theoretical ones, I will focus in the following on a specific case, which I believe perfectly illustrates all of these inadequacies at once. This is a report titled 'An Analysis of the Economic Potential of the Creative Industries in Vienna', prepared in 2004 by a joint commission of three research institutions (Kulturdokumentation, Mediacult and Wifo) that were appointed by a number of local public institutions (City of Vienna – EU Strategy and Economic Development, the Filmfonds Wien and the Vienna Chamber of Commerce). The report was partially funded by the EU's European Fund for Regional Development.⁹ I have a few reasons for choosing this report as a reference.

First of all, the report provides a blueprint of the creative industries program in general; it outlines the means and aims of the program very clearly. Although it is oriented towards the formulation of a policy that is specific to Vienna, the analysis that it presents is largely general. In this respect, it offers a prospectus that is perfectly applicable to any other region where there is some degree of 'cultural capital' that has not yet been fully exploited. Among similar studies, this report has become a key reference for cultural policies and related projects that were formulated in Europe and Australia. It circulates as a policy-making tool, and in that sense, when we consider its specific context, the political nature of this program and its contradictions become apparent.

The social, economic and political context of the Vienna report exposes certain specific contradictions. Unlike some other European countries and cities that became the focus of 'creative industries' discourse, Vienna (and Austria in general) has displayed a fairly strong and stable economic growth in the past decade by taking advantage of its position as a passage for European capital towards the central European hinterland, which consists of Czech Republic, Slovakia, Slovenia and Hungary. All of these former 'East European' countries are new members of the EU. In relation to this source of economic growth, the welfare policies that have been abandoned in other EU countries are still in effect in Vienna, which was governed for the past thirty years by socialist party politics, that is, until 1999. In addition, public funding and promotion of Austrian cultural and artistic production has been traditionally accepted as state policy, starting even earlier than most other European nation-states, since the time of Emperor Joseph. As a result, Vienna is populated by a considerable number of well-educated cultural producers and artists who benefit from the welfare policies of a wealthy national economy and who contribute to a rich urban culture. Vienna is therefore not a de-industrialized city that is pressured by chronic economic crisis and unemployment but a city where the designated subjects of the 'creative industries' are well informed about their situation. For this reason, the push for 'creative industries' loses its moorings as 'the only viable economic alternative' – the sort of argument that is more easily legitimized in cities like Berlin. Consequently, the local actors of cultural production have countered the 'creative industries' discourse with more public debate, skepticism and criticism.

The Vienna report mistakenly takes the conditions of economic necessity as grounds for the formulation of strategies to exploit the existing potential. What is referred to under the umbrella concept of creative industries are the following fields of production: music, architecture, literature, publishing and print media, the audiovisual field, the fine arts and its market, graphic arts, fashion and design, multimedia, software, games, the Internet, performing arts and entertainment, museums, libraries and advertising. According to the report,

120,000 people are currently employed in the CI fields (in a population of 1.8 million) which makes [sic] approximately 14% of all individuals who are gainfully employed in Vienna. At a growth of 6% from 1988 to 2002, the Creative Industries surpassed the employment growth of the national economy by 4%.

The 'strength' of the Creative Industries in Vienna, it goes on to argue, 'comes from a high amount of artistic-creative potential in the fields of education, science and research'. A specific characteristic in this field is 'the economic interdependence between sections of the creative industries-enterprises and public funding of art and culture'. The number of 'businesses' in the cultural field has doubled in the past decade. These businesses have well-established cooperation patterns amongst themselves, they possess innovative capacities, make positive assessments of trends and have a significant capacity in digital production technologies.

However, the report defines a problem that complicates this pretty picture. 'Weaknesses of the Viennese CIs lie in realization,' it says. This is fairly interesting when we consider the picture before us. Almost one-tenth of the city is somehow employed in the field of cultural production, which seems to be expanding. These people are well educated and qualified enough to be capable of creating works that are rich in quality and that help Vienna develop as a culturally rich city. One is thus compelled to ask: what is 'not realized' in this picture? What more should we expect from the cultural field? This 'realization' problem, the report states, is due to

a low degree of implementation of the creative potential in the context of economic activities and within export. This can be explained by the corporate structure based on small-scale businesses, the weakness in capital and management deficits. One of the basic characteristics of the art and culture-oriented CI fields is that there is rarely a lack of innovative and partly internationally marketable products, but there is however a lack in capital strength and in marketing oriented realisation of know-how.¹⁰

In other words, what the report discovers as the fundamental problem with cultural production in Vienna is the worrisome reality that cultural production is performed and shaped by highly innovative, internationally recognized artists and intellectuals, and not by capitalists and businessmen.

Although it insistently refers to cultural producers as 'businesses', the report recognizes the fact that the actors in these fields are either individual artists or small 'atelier' production houses and art collectives. On average, the 18,000 small CI-type businesses in Vienna have an enterprise size of 6.7 individuals. And what is the problem?

Many current problems can be attributed to the predominance of small-scale businesses within the sector. Many enterprises are too small ... to make investments independently. However, larger investments are necessary for completing the product and service offer and to move toward foreign markets. This calls for the creation of conditions that favour corporate growth.¹¹

The surplus in the 'creative industries' discourse is not merely the exploitation of cultural capital but an economic program of 'corporate growth' within these fields. Evidently, such

‘corporatization’ will transform Viennese cultural production in ways that are similar to what has occurred in New York, London or California. However, the report does not address the inevitable negative effects of such corporate growth, which immediately comes to mind to anyone who is more or less familiar with these sites. As many critical studies have demonstrated, corporate growth in the field of cultural production introduces extremely exploitative and precarious labour practices.¹² The problem is that, due to the disproportionate powers that big companies wield against the creative individuals they employ, together with the lack (and perhaps, the ‘impossibility’) of collective bargaining mechanisms in this kind of production, the exploitation of labour reaches levels that are only comparable to third-world sweatshops.

Therefore, it is highly debatable that cultural producers will benefit economically from working in a field that is dominated by large companies. Besides, such large corporations often impose a hierarchical organization of work and control mechanisms that are designed to boost productivity, efficiency and profitability but that ignore the deleterious effects of such efficiency on people. Such mechanisms directly contradict the creative process itself and alienate cultural producers from their production. When this appears as a problem, the corporations themselves look for remedial solutions. Moreover, it is highly debatable that the quality of the cultural products themselves benefit from corporate production methods – not only because of all these conditions but also because of the fundamental reason for these conditions: the logic of profit maximization. After all, a cultural product is an intangible one, and big corporations can and do use such intangibility to their benefit by controlling the market environment and regulating demand.

If we examine the conditions that prevail at the sites where existing cultural production already conforms to the key arguments of ‘creative industries’ discourse (such as New York and London), it is highly doubtful that the cultural producers or the cultural life at large benefit from corporate development. To take the Vienna report at face value, one is led to believe that it is worthwhile to sacrifice the well-being of cultural producers and cultural life so that ‘the creation of the conditions that favour corporate growth’ can develop the capacity to move in the direction of foreign markets.

While this particular case may very well come to be used as a blueprint for other cities, it is doubtful and even deceptive to think that the fields of cultural production can be corporatized to export capacity, at least, without serious consequences. Most of the fields listed earlier under the general title of ‘creative industries’ are media-related fields, and the rest are indirectly media-related fields in the sense that if we choose to think of these fields as ‘markets’, they are markets that can only function through media-related activities. As such, these fields of production directly require an ‘audience’. If, for the sake of discussion, we adopt a market model, then economic value is held to be created in the circulation of the product; at the moment the product meets its potential audience. This is to say, for instance, that if one was to write the next ‘bestseller’, but it never reaches its audience, it is not a bestseller, and it does not have any economic value. This immediately imposes certain structural limitations to the market. Market scales, for example, are affected by such things as

language barriers. When we consider the fact that the world's German-speaking population is roughly 100 million, and Germany itself constitutes 80 million of this population, then the 'foreign markets' that are projected in the Vienna report seem to be highly fictitious. New York and London have an ultimate advantage in this regard since English is the most commonly spoken foreign language.

There are possibly some areas in these fields where business-to-business exchange and outsourcing on an international scale take place. For example, in computer graphics, multimedia design and programming, the final products do not require transportation. Many media, design and software companies in the 'first world', and whose production is oriented towards a mass market, take advantage of the availability of cheap and highly skilled labour in these fields in the 'third-world' countries. If by 'foreign markets' we assume that the report points to such business-to-business outsourcing, it still does not make complete sense. For one thing, skilled labour costs in Vienna are not as low as in third-world countries. Secondly, the main economic benefit goes to the business that outsources its services; for the service provider, it is not an ideal position but a consensual form of exploitation in the face of poverty. Lastly, these business-to-business outsourcing fields have very limited employment potentials; their main incentive is not to fulfil massive amounts of unskilled labour needs like other outsourcing sectors but to take advantage of the huge difference between skilled labour costs at smaller-scale operations. Vienna does not fit this scheme at all.

One of the suggestions for corporate development that is made by the report is to provide the creative fields with increased access to finance capital and to bring in venture capital investments. Venture capital is a mythical notion similar to the creative industry concept itself. The report fails to consider what actually happens when venture capital is brought into contact with these fields and certainly an important lesson could have been learned from the dotcom boom and the consequent crash of this economy. In 1995, when Netscape, an Internet/software company with no tangible products or assets, scant revenues and no hint of profit, saw its stocks rise by 300 per cent in one day, finance capital realized the massive potentials of the purely 'speculative value' of this field. What followed was a huge cash flow to similar digital media start-up companies. Investors assumed that a given company had no real value and would never be profitable but rode on the speculative value already dominating the field. So-called venture capital investors could earn a considerable return on their investment at the point of the initial public release of the company's stocks.¹³ Even if the company showed the potential to becoming profitable, the investors asserted control of it by excluding the people who created it.¹⁴ In the end, when the bubble burst, the loss of people's investments became the profit of venture capitalists, and the Internet/software industry is still trying to recover from the damage. Venture capital makes risky investments in certain areas where it expects to make large profits. However, nothing guarantees that 'big profits' will also entail the well-being of cultural producers, the richness of cultural life, the quality of cultural products, or even sustainable economic growth. The boom and crash of the dotcom sector is thus an important case to keep in mind. In some ways, the dire experiences of finance capital's coupling with creativity has informed all previous emancipatory views of

the promise of 'high tech' as an independent field of production. One could say, pointing to the highly monopolized media landscape of today, that this vision has been rather naïve and ignorant of the 'real powers' of a 'real economy'. But then, the same processes prove that this field, developed as it has been so far, has a real potential to be exploited by 'real economic powers'.

Neo-Liberal 'Economism'

With regard to the change of labels in British cultural policies from 'culture industries' to 'creative industries', Nicholas Garnham notes the following:

we are not dealing with a mere neutral change of labels, but there are both theoretical and policy stakes involved in this shift. In order to understand these stakes, we will need to unpack the various strands of analysis and policy that have led up to this shift and feed in complex ways into the current meaning of 'creative industries' within the arts and media policy discourse.¹⁵

When we pick up the strands, the concept 'creative industries' reveals itself as not only a cultural/economic program but also a political discourse favouring and empowering big corporations and capitalist actors against the real creative agents of the cultural field. It is important to contextualize this discourse as a biopolitical intervention in compliance with neo-liberal governmentality. In this respect, we have to acknowledge the critical interval between such policy-oriented business management discourse and neoclassical economic formulas.

As I have tried to demonstrate with the example of the Vienna report, the 'creative industry' idea has agenda-setting functions that go beyond the presentation of a viable economic prospectus. In fact, this restructuring program, including its discrepancies, is consistent with the operational framework of neoclassical theory. Ruth Towse and her colleagues, for example, tend towards analyses that consider the cultural economy strictly in terms of the market economy and neoclassical formulations.¹⁶ This highly sophisticated literature presents seemingly relevant tools to explain and justify intellectual property regimes, value systems, supply and demand structures and other dynamics of the cultural fields. Although one can find many theoretical reasons to reject their basic assumptions, and therefore the mechanics of such logic as a whole, the rationale of neoclassical economic theory does possess a certain integrity and analytical capacity. For one, it justifies its logical assumptions according to the criterion of the public good: it sees the free market economy as a self-regulatory mechanism and invites us to think of cultural production as a market; copyright and intellectual property rights are held to function as a mechanism for guaranteeing a return on cultural producers' labour; supply and demand mechanisms act as the invisible hand of the market and self-regulate the market on the principle of market efficiency and without the need for external interventions and so on.

In this regard, the neoclassical approach follows Adam Smith by associating the free market with political freedom and the public good. Cultural production is not a privileged field in this perspective nor is corporate growth an ultimate aim in itself – it is perhaps justified on the principle that big corporations represent the capacity to provide better work conditions and job stability to their employees.¹⁷ Accordingly, we can even find a dismissal of the concept of the creative industries in Towse's work:

Nowadays also called 'creative industries,' cultural industries mass-produce goods and services with sufficient artistic content to be considered creative and culturally significant. The essential features are industrial-scale production combined with cultural content. The cultural content mostly results from the employment of trained artists of one sort or another (creative artists, performers, craftspeople) in the production of goods in the cultural industries, but it may also arise from the social significance that attaches to the consumption of goods.¹⁸

Towse's position is indeed remarkably different, because it immediately distinguishes cultural industries from artistic production by placing an emphasis on mass production. Although the field of artistic production is still taken as a 'market', and the idea 'cultural industries' is still considered as part of an industrial sector, such primary distinctions provide theoretical space for a refined discussion. Although it adopts the term 'creative industries', Richard E. Cave's work establishes a similar analysis by looking at various aspects of cultural production in economic terms and trying to negotiate the idea of market in this field.¹⁹

The twin ideas of 'free market economy' and market regulation are a primary concern for the neoclassical economists' perspective on cultural production. Towse points out opposing positions in this regard, between those who find a justification for various types of government regulation of the cultural economy on the basis of social well-being and those who 'believe the free market can deliver a wide variety of cultural products' but 'favour using commercial success as a sole arbiter of taste.' She maintains that the social and political significance of the mass media makes it inevitable that they are regulated, but nevertheless adds:

There is, however, an irony here: those who believe consumers are too easily persuaded by commercial advertising into buying expensive pop culture goods are often those who advocate the use of subsidy on the grounds that, without it, consumers could not be persuaded to 'improve' their taste for high culture.²⁰

The break between an Adam Smith type of classical liberalism (which neoclassical economists advocate) and neo-liberalism can be found in the comparison of this discussion to the reports offered by creative industries discourse. For classical liberalism, the market was a natural, historical and social phenomenon, and its dynamics was the natural outcome of social relations. Being a self-regulatory social device, it could regulate itself through its

‘invisible hands’ (through the balance between supply and demand), and as such, it would efficiently optimize the distribution of resources by itself. In order to ensure the free play of natural social forces, the market should be left to its own devices. If, in the final analysis, the function of the political system is the distribution of resources, this governmental function should be naturally performed by the free market economy, and the only job the state should be doing is protecting free-market conditions. ‘Laissez faire, laissez passer’ (let do, let pass) became the motto of classical liberalism.

While locating neo-liberalism in the context of governmentality, Foucault looks into the twentieth-century origins of neo-liberal thought and evaluates its development, starting from the Ordo-liberals of the Freiburg School to the later modifications of the Chicago School.²¹ He finds the original formulation of neo-liberalism in the works of liberal Freiburg scholars gathered around the journal *Ordo*. According to Foucault’s analysis, the Ordo-liberals’ novel formulation of liberalism stems from a distinctive analysis of fascism. For them, contrary to their contemporaries’ Marxist analysis of fascism (such as the works of Frankfurt School authors), the experience of fascism that resulted in the Second World War was not a natural historical consequence of capitalism and the freemarket economy but a consequence of the absence of free market conditions. The Ordo-liberals’ reading of fascism resulted in the revision of the idea of a ‘natural’ outcome of the market. For them, the free market was not a natural phenomenon but could only be established through active social and political interventions and therefore should be protected. Otherwise, according to them, the social factors surrounding capitalist society brings about a monopolization of economic powers that results in the consequent monopolization of political power, authoritarianism and fascism. Here, they agree with Schumpeter that the market itself does not have inherent monopolistic tendencies but that such tendencies are a product of social factors that are external to market dynamics. Thus, the conditions and the subjects of the market have to be actively created through political interventions and should be actively defended against society itself and against the masses. This matter of security should be the ultimate goal of the government and the state.²²

At this point, and formulated as such, neo-liberalism does not appear as a mere economic program but an entire social program. Eighteenth-century liberalism was formulated around the idea of freedom, which it defined in a positive way and regardless of the factual implausibility of such a formulation. The free market was grounded on only those social relations that could be developed naturally and freely. In neo-liberal revisions, the market is not seen to be a positively natural and free ground of social relations, but a necessary common ground for being able to live together, a guarantee against authoritarianism. The premise of Foucault’s idea of modern governmentality is the fact that neo-liberalism requires certain techniques of social control. The market does not require stability and a balance between its actors and resources, but a manageable level of instability and imbalance in order to sustain flows and so that unevenness at the level of access to resources turns into ‘market dynamics’ of flows and exchanges. When the market form is taken as an indexical model for social life at large, the first thing that goes into the dustbin of politics is the notion

of ‘social equality’, which has, in any case, been a highly contradictory concept in the history of modern politics. Within the ideological framework of neo-liberalism, social equality not only ceases to be a political priority but an archaic theme that is no longer needed nor desired. The Ordo-liberals’ slogan was ‘inequality is equal for all’.²³ Inequality is the basis of competition. In a social system in which inequality always subordinates every individual, such inequality becomes the source of social progress. Individuals try to achieve a better relative position within such gross inequality by competing with one another, by minimizing their disadvantages and increasing their advantages.

Creative industries discourse largely suits this context inasmuch as it calls for the state to implement certain policies for structuring and sustaining a field of social production as a ‘market’. It performatively describes the agents of cultural production as ‘businesses’, and it sets up rules and goals for competition that are formulated according to the slogans ‘export capacity’ and ‘corporate growth’.

Biopolitics

As a neo-liberal and biopolitical intervention, creative industries discourse is oriented around the restructuring of language and the disciplining of subjectivities. It is my contention that the key to this neo-liberal intervention is the imposition of a new value system under the guise of science. With the phrase ‘It’s the economy, stupid!’, what we find is a clear ideological preference, or, at the very least, a very specific understanding of ‘economy’ that collapses the concepts of economy and profit. Apparently, for this ideology, the value that the artists and cultural producers create does not seem to be enough – as is evident in the case of Vienna. Cultural value has to be transformed into another kind of value, the value that entrepreneurship and corporate capitalism is alone capable of creating. This clearly imposes a very specific understanding of ‘value’ that goes beyond an economic approach and which stems from the perception of cultural production as mainly an economic activity. With a broader understanding of economy, this may very well be possible; cultural production does incorporate labour processes and exchange activities. However, cultural production is based on immaterial and affective labour processes (which constitute ‘creativity’ itself), and the circulation of the products of such labour, their exchange, is complexly related to various forms of social reproduction and dynamic social relations (including inequality).

Creative labour, as the form of immaterial labour directly involved in cultural and artistic production, as well as its products, establishes an autonomous form of value due to the fact that it is immeasurable and unquantifiable. That is to say, if I am writing a poem, neither can my ‘work’ be measured on an hourly basis or according to the amount of production I perform, nor can the value of my poem be determined by the material value of the print and how it circulates. The labour process itself *resists* measurement by an external criterion other than the work’s social articulation, its ‘social use value’. Still, neither can immaterial labour be separated from other types of productive labour, nor can the circulation of the

cultural product be taken as an alienated activity. If I am a video artist, I have to eat in order to be able to continue performing my immaterial labour, and what I create needs certain material vehicles and channels – computers, cameras, projectors, and so on. The product of creative labour relates to social reproduction through its circulation; it expands the limits of language, and it informs and generates knowledge and desire. If I am a video artist, perhaps the farmworker who produces the wheat for my bread watches my video on the Internet and smiles; perhaps it inspires him or her and makes his or her day. Beyond that, of course, immaterial labour and material production are not mutually exclusive processes; I can be a farmer and a video artist at the same time, and both types of labour can meet in the same productive gesture within the same creative processes.

Therefore, if we define the economy not only as the production of material commodities and material/monetary exchanges but also as the production and reproduction of life in general, and include all types of social flows that contribute to this production of life in general, then cultural and artistic production and the ‘social use value’ that they generate have to be taken as essential parts of this general economy. What is expected from cultural production within the ‘creative industries’ discourse is the creation of an entirely different kind of value. Rather than the ‘social use value’ that is directly generated by productive creative activity, what is desired is the ‘surplus value’ generated by the exploitation of productive activity through the forceful appropriation of the product and by the regulation of its circulation. Today, in the jargon of corporate capitalism, this expropriation is referred to as ‘shareholder value’.

‘It’s Not the Economy, Stupid, It’s Life!’

In this essay, I have tried to expose certain empirical and analytical weaknesses and shortcomings of the creative industries idea as an ‘economic program’ and so have tried to locate it as a deceptive or, at least, contradictory discourse by underscoring its neo-liberal ideological framework. Creative industries discourse and the ideological framework that it relies upon can and should be criticized by questioning the terminology it attempts to establish as well as its basic assumptions. Various strands of critical social theory provide us with sufficient intellectual material in this regard and promise us much stronger and more liberating visions.

Due to its particular political nature, the everyday consequences of creative agency still surround and confront this programmatic discourse. Thorsten Wöhlert, the spokesman for Berlin’s ministry of culture, points to the ambiguous state of public and private distinctions under post-Fordist conditions and how discourse about the ‘creative industries’ attempts to take advantage of this problem. While maintaining his support for the public funding of the arts, he points to the paradox I mentioned earlier and questions the manifest practical aims of creative industries programs. According to Wöhlert, it is practically impossible to determine the dividing line between the private sector and what has been funded through

taxpayers' money. 'If there is an artist who studies in a Berlin university with public money,' he writes, 'then he gets a scholarship that is subsidized, then he gets famous and starts his business and creates jobs now as a part of the creative industry which is not subsidized at all,' it is difficult to determine in advance the whole line of subsidies and the whole line of production.²⁴

As I have argued, the report 'An Analysis of the Economic Potential of the Creative Industries in Vienna' has become a key reference for policy-making debates in Austria following its publication. The specific conditions I have mentioned in this essay resulted in a vocal confrontation of the program on the part of the artist community. Because of this, the conservative coalition in government had to implement the provisional requirements for these policies with a great deal of caution.²⁵ The funds needed for creative industries related projects were not taken from the budget allocated for supporting the arts but from funds allocated for economic development projects. Consequently, the Vienna City and federal government created the impression that capital projects for the creative industries did not hamper the existing state support for culture and the arts, but brought in extra funds that would benefit the field. It is too early to tell what the effects of these projects have been. However, certain discursive effects are already apparent. New cultural and artistic institutions in Vienna (such as the Music Information Centre and Museum Quarter) flirtatiously embrace commercial activities. Besides such flirtation, there have been various workshops and seminars during the past years in Vienna for teaching artists how to survive in a competitive market environment, how to transform themselves in this regard, how to present their work, and how to convert their creative skills into business plans. Michaela Muhr, an artist who lives and works in Vienna explained to me: 'in these workshops and seminars, they tried to teach us how to become undertakers and entrepreneurs... We said, "No, we are artists, not undertakers!"' In order to confront such deceptive biopolitical intervention, it is crucial to reclaim and repoliticize the language and the subjectivities involved.

Notes

1. This essay presents research produced in the context of Ozgun's doctoral dissertation "'It Becomes Again': Political Economy of Contemporary Cultural and Artistic Production,' written for the Sociology Department of the New School for Social Research in New York City, 2010.
2. See in particular Karl Marx, *Theories of Surplus Value, Part 1*, London, Lawrence and Wishart, [1863] 1969.
3. David Harvie, 'All Labour Produces Value for Capital, And We All Struggle Against Value,' *The Commoner*, 10 (Spring/Summer 2005), p. 143. References in the citation are: Fred Moseley, 'Marx's Concepts of Productive Labor and Unproductive Labor: An Application to the Postwar U.S. Economy,' *Eastern Economics Journal*, 9:3 (1983), pp. 180–189; Fred Moseley, *The Falling Rate of Profit in the Postwar United States Economy*, London, Macmillan, 1991; A.M. Shaikh and E.A. Tonak, *Measuring the Wealth of Nations: The Political Economy of National Accounts*, Cambridge, CUP, 1994.

4. See Fredric Jameson, *Postmodernism, or, the Cultural Logic of Late Capitalism*, Durham, Duke University Press, 1991.
5. See in particular Maurizio Lazzarato, 'From Biopower to Biopolitics', available at <http://www.geocities.com/immateriallabour/archive2006.html>.
6. Nicholas Garnham, 'From Cultural to Creative Industries: An Analysis of the Implications of the "Creative Industries" Approach to Arts and Media Policy Making in the United Kingdom', *International Journal of Cultural Policy*, 11:1 (2005), p. 15.
7. Richard Florida, *The Rise of the Creative Class: And How It's Transforming Work, Leisure, Community and Everyday Life*, New York, Basic Books, 2002.
8. Garnham, 'From Cultural to Creative Industries', p. 16.
9. An English executive summary of the report can be found online at <http://www.creativeindustries.at/pdf/english-summary.pdf>.
10. 'An Analysis of the Economic Potential of the Creative Industries in Vienna', p. 4.
11. 'An Analysis of the Economic Potential of the Creative Industries in Vienna', p. 5.
12. See in particular, Andrew Ross, *No-Collar: The Humane Workplace and Its Hidden Costs*, New York, Basic Books, 2002.
13. For a brief but notable investigation of the role that venture capital investors and brokers played in the crash of the dotcom economy, and the benefits that they gained from the crash, see the Frontline documentary aired on PBS on 24 January 2002: <http://www.pbs.org/wgbh/pages/frontline/shows/dotcom>. For a comprehensive account of the investment bankers' responsibility in the 'tech stock massacre', see Megan Barnett, 'Days of Reckoning', *The Industry Standard*, (20 August 2001), available at <http://www.thestandard.com/article/0,1902,28632,00.html>.
14. LouAnn Lofton's insights reveal the true nature of the relation between IT creatives and venture capitalists. See 'Fool.com: Adventures in Venture Capitalism', *Special*, (22 February 2000), available at <http://www.fool.com/specials/2000/sp000222centurecap.htm>.
15. Garnham, 'From Cultural to Creative Industries', p. 15.
16. See Ruth Towse (ed.) *A Handbook of Cultural Economics*, Cheltenham, Edward Elgar Publishing, 2003.
17. Towse writes: "Are the cultural industries different?" is a question that has been very important in cultural economics. After all, if cultural industries or organizations are no different from those in the rest of the economy, why do we need a special field to study them? The same question applies to artists' labour markets. A quick answer is that what makes them different is their cultural content.' Towse, 'Cultural Industries', in Towse, *A Handbook of Cultural Economics*, p. 173. The recognition of the difference here also avoids assigning any privileged position to it.
18. Towse, 'Cultural Industries', p. 170.
19. Richard E. Caves, *Creative Industries*, Cambridge, Harvard University Press, 2000.
20. Towse, 'Cultural Industries', p. 173.
21. Michel Foucault, *Security, Territory, Population: Lectures at the Collège De France 1977–1978*, trans. Graham Burchell, Basingstoke, Palgrave Macmillan, 2007. In his lectures at the Collège de France in 1978, Foucault developed his concept of biopower in relation to governmentality, a new technology of power in which punitive measures are replaced by forms of government of self and others through freedom and technologies of security.
22. See Graham Burchell, Colin Gordon, and Peter Miller, *The Foucault Effect: Studies in Governmentality*, Chicago, University of Chicago Press, 1991.
23. See Thomas Lemke, "'The Birth of Bio-Politics" – Michel Foucault's Lecture at the Collège de France on Neo-Liberal Governmentality', *Economy and Society*, 30:2 (2001), pp. 190–207.

24. Interview with Thorsten Wöhlert, Culture Spokesperson for Berlin City Government, November 2006.
25. It may be worth taking a quick look at the political agencies that supported these programs in Vienna and elsewhere. Ultra-conservative Jorg Haider's victory in the 1999 elections and the conservative coalition government took much of the credit for the changes in Austrian cultural policies towards neo-liberalism. Under Haider, the right-wing Freedom Party of Austria (FPO) intervened in the distribution of cultural funds. Haider's reactionary attack on culture was only a façade for more profound changes and only minimally a response to the political confrontation his party received from anti-fascist cultural producers. The real architects of these changes are actually the familiar players of Austria's political system, the Social Democratic Party (SPO) and the Conservative People's Party (VPO). This explains why these changes can take place in a dualistic public administration structure in which the government of the City of Vienna takes considerable initiative. Although the federal government was held by a conservative coalition after 1999, the City government remained a stronghold of the SPO. In fact, one can argue that the design of these programs belongs to social democrats who were inspired by the Labour Party's success in Britain. As I have noted by referring to Garnham's work, it was the British Labour Party that coined the term and drew the first creative industry program in 1997. In his discussion of the same media and cultural policy program in the context of public policy, David Hesmondhalgh also asserts that the British Labour Party's project is 'a particular hybrid of neoliberalism, conservatism and social democracy, distinctive from the New Right neo-liberalism of the 1980s'. David Hesmondhalgh, 'Media and Cultural Policy as Public Policy: The Case of the British Labour Government', *International Journal of Cultural Policy*, 11:1 (2005) pp. 1-13. It may be worth noting too that the slogan 'It's the economy, stupid!' has been used by creative industries advocates to pre-emptively curtail any criticism. It was formulated by Bill Clinton's campaign strategist James Carville in the wake of Clinton's 1992 election victory against George H.W. Bush.