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## Concepts of culture—public policy and the cultural industries

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To mobilize the concept of the cultural industries as central to an analysis of cultural activity and of public cultural policy is to take a stand against a whole tradition of idealist cultural analysis. This tradition, well delineated in the British form, for instance, by Raymond Williams in *Culture and Society*, defines culture as a realm separate from, and often actively opposed to, the realm of material production and economic activity.

This is important for our present purposes because, in general, public cultural policies have evolved from within that tradition. Public intervention, in the form of subsidy, is justified on the grounds (1) that culture possesses inherent values, of life enhancement or whatever, which are fundamentally opposed to and in danger of damage by commercial forces; (2) that the need for these values is universal, uncontaminated by questions of class, gender and ethnic origin; and (3) that the market cannot satisfy this need.

A further crucial component of this ideology is the special and central status attributed to the 'creative artist' whose aspirations and values, seen as stemming from some unfathomable and unquestionable source of genius, inspiration or talent, are the source of cultural value. The result of placing artists at the centre of the cultural universe has not been to shower them with gold, for artistic poverty is itself an ideologically potent element in this view of culture, but to define the policy problem as one of finding audiences for their work, rather than vice versa. When audiences cannot be found, at least at a price and in a quantity which will support the creative activity, the market is blamed and the gap is filled by subsidy.

It is important to note that most of those on the left who have challenged this dominant view of culture as élitist have themselves tacitly if not explicitly accepted the remaining assumptions of the tradition they were rejecting. Indeed, in my view this in part accounts for their limited success in shifting the terms of the policy debate and the effortless ease with which they have been incorporated.

One result of this cultural policy-making tradition has been to marginalize public intervention in the cultural sphere and to make it purely reactive to

processes which it cannot grasp or attempt to control. For, while this tradition has been rejecting the market, most people's cultural needs and aspirations are being, for better or worse, supplied by the market as goods and services. If one turns one's back on an analysis of that dominant cultural process, one cannot understand either the culture of our time or the challenges and opportunities which that dominant culture offers to public policy makers.

We can get some idea of the relative orders of magnitude between public-sector expenditure on cultural activity and private, market expenditure if we compare the £673.8 million of public expenditure on libraries, museums and galleries and other cultural activities in the United Kingdom in 1981–2 with the £15,538 million of 1982 consumer expenditure on recreation, entertainment and education, and with the total media advertising expenditure in 1982 of £3,216 million. [ . . . ]

An analysis of culture structured around the concept of the cultural industries, on the other hand, directs our attention precisely at the dominant private market sector. It sees culture, defined as the production and circulation of symbolic meaning, as a material process of production and exchange, part of, and in significant ways determined by, the wider economic processes of society with which it shares many common features.

Thus, as a descriptive term, 'cultural industries' refers to those institutions in our society which employ the characteristic modes of production and organization of industrial corporations to produce and disseminate symbols in the form of cultural goods and services, generally, although not exclusively, as commodities. These include newspapers, periodical and book publishing, record companies, music publishers, commercial sports organizations, etc. In all these cultural processes, we characteristically find at some point the use of capital-intensive, technological means of mass production and/or distribution, highly developed divisions of labour and hierarchical modes of managerial organization. [ . . . ]

### Consumption time

For most people, cultural consumption is confined to a so-called free time, the extension of which is limited by the material necessities of work and sleep. If we assume a working week (including travel) of 45 hours and sleep time of 48 hours per week, that leaves 75 hours per week in which all other activities have to be fitted. On average, 20 hours per week are taken up by TV viewing.

Cultural consumption is particularly time-consuming in the sense that the most common and popular form of culture, namely narrative and its musical equivalent, are based upon manipulation of time itself, and thus they offer deep resistances to attempts to raise the productivity of consumption time. This scarcity of consumption time explains:

- 1) the acute competition for audiences in the cultural sector;
- 2) the tendency to concentrate cultural consumption in the home, thus cutting out travel time;
- 3) as recent Swedish studies have shown, a sharp rise in the unit cost

of each minute of consumption time, in particular as investment on domestic hardware increases while the time for using such hardware does not. Thus in Sweden between 1970 and 1979 time spent listening to music rose by 20 per cent while the cost rose by 86 per cent, with each hour of listening costing 55 per cent more.

### The labour market

The various cultural industries compete in the same market for labour. Individual film-makers, writers, musicians or electricians may move in their work from film, to television, to live theatre. The electronic engineer may work in manufacturing or broadcasting. The journalist may work in newspapers, periodicals, radio or television.

This unified labour market is reflected in trade-union organizations. The Association of Cinematograph, Television and Allied Technicians (ACTT) organizes across film, television and radio, the National Union of Journalists (NUJ) across newspapers, books, magazines, radio and television. The Musicians' Union members work in film, radio, television and records as well as live performances, and so on.

As a result of these levels of integration within the cultural sector, a shift in one place affects the structure of the whole sector. The introduction of a new television channel, such as Channel 4, restructures the broadcasting, film and advertising market in specific ways. Even more, of course, will this be the case with cable and satellite services. The introduction of a new colour supplement has repercussions upon the finances of other publications, but may well also have cross-effects on broadcasting revenue. The same holds true for public intervention. One needs to be aware that one may be playing a zero-sum game, and that all options are not simultaneously open.

A classic example of this interaction and of the ways in which the dynamics of the private sector impact on the public sector is the relation between ITV and BBC. Because ITV holds a monopoly of television advertising, and because there has in general been a high demand for this commodity, extra broadcasting hours mean, for ITV, extra revenue, more efficient utilization of plant and thus higher profit. There has therefore been steady pressure from ITV, in common with commercial broadcasting systems throughout the world, to expand the hours of broadcasting—pressure which has been successful. For the BBC, on the other hand, expansion of hours leads to increases in costs with no increase in revenue. They have, however, been forced to respond to ITV because of the need to compete for audiences, thus increasing the pressure to spend more public money on broadcasting if the balance between public and private sectors is to be maintained.

### The structure and dynamics of the cultural industries

The particular economic nature of the cultural industries can be explained in terms of the general tendencies of commodity production within the

capitalist mode of production as modified by the special characteristics of the cultural commodity. Thus we find competition driving the search for profits via increased productivity, but it takes specific forms.

There is a contradiction at the heart of the cultural commodity. On the one hand, there is a very marked drive towards expanding the market share or the form this takes in the cultural sector, audiences. This is explained by the fact that in general, because one of the use-values of culture is novelty or difference, there is a constant need to create new products which are all in a sense prototypes. That is to say, the cultural commodity resists that homogenization process which is one of the material results of the abstract equivalence of exchange to which the commodity form aspires. This drive for novelty within cultural production means that in general the costs of reproduction are marginal in relation to the costs of production (the cost of each record pressing is infinitesimal compared to the cost of recording, for instance). Thus the marginal returns from each extra sale tend to grow, leading in turn to a powerful thrust towards audience maximization as the preferred profit maximization strategy.

On the other hand, the cultural commodity is not destroyed in the process of consumption. My reading of a book or watching of a film does not make it any less available to you. Moreover, the products of the past live on and can be relatively easy and cheaply reproduced anew. Thus it has been difficult to establish the scarcity on which price is based. And thus cultural goods (and some services, such as broadcasting, for technical reasons) tend towards the condition of a public good. Indeed, one can observe a marked tendency, where they are not *de jure* so treated, for consumers to so treat them *de facto* through high levels of piracy, as is now the case with records, video cassettes and books. (It should be noted that this in its turn relates to another contradiction in the cultural sphere, on which I shall comment shortly, between the producers of cultural hardware and software. It is the development of a market in cheap reproduction technology that makes piracy so difficult to control.) In contradiction, then, to the drive to maximize audiences, a number of strategies have had to be developed for artificially limiting access in order to create scarcity.

The drive to audience maximization leads to the observed tendency towards a high level of concentration, internationalization and cross-media ownership in the cultural industries. The strategies to limit access have taken a variety of forms:

- 1) Monopoly or oligopolistic controls over distribution channels, sometimes, as in broadcasting, linked to the state. One often finds here a close relationship between commercial interests and those of state control.
- 2) An attempt to concentrate the accumulation process on the provision of cultural hardware—e.g. radio and television receivers, hi-fi, VCRs, etc.—with the programmes, as in the early days of British broadcasting, as necessary loss-leaders. The rationale for the introduction of cable in the UK is an example of this.
- 3) The creation of the audience as a commodity for sale to advertisers, where the cultural software merely acts as a free lunch. This has proved itself the most successful solution; both the increased proportion

of advertising to sales revenue in the press and periodicals market, culminating in the growth of free newspapers and magazines, and the steady expansion of wholly advertising-financed broadcasting services, are indications of this.

- 4) The creation of commodities, of which news is the classic example, which require constant reconsumption.

### **Audiences, cultural repertoire and distribution**

The third key characteristic of the cultural commodity lies in the nature of its use-values. These have proved difficult if not impossible to pin down in any precise terms, and demand for them appears to be similarly volatile. As I have already remarked, culture is above all the sphere for the expression of difference. Indeed, some analysts would claim that cultural goods are pure positional goods, their use-value being as markers of social and individual difference. While this aspect of culture merits much deeper and more extended analysis, it is only necessary here to draw one key conclusion, namely that demand for any single cultural product is impossible to predict. Thus the cultural industries, if they are to establish a stable market, are forced to create a relationship with an audience or public to whom they offer not a simple cultural good, but a cultural repertoire across which the risks can be spread. For instance, in the record industry only 1 in 9 singles and 1 in 16 LPs makes a profit, and 3 per cent of the output can account for up to 50 per cent of turnover. Similarly, in films the top ten films out of 119 in the UK market in 1979 took 32 per cent of the box-office receipts and the top 40 took 80 per cent.

Thus the drive to audience maximization, the need to create artificial scarcity by controlling access and the need for a repertoire bring us to the central point in this analysis. *It is cultural distribution, not cultural production, that is the key locus of power and profit.* It is access to distribution which is the key to cultural plurality. The cultural process is as much, if not more, about creating audiences or publics as it is about producing cultural artefacts and performances. Indeed, that is why that stress upon the cultural producers that I noted earlier is so damaging.

We need to recognize the importance, within the cultural industries and within the cultural process in general, of the function which I shall call, for want of a better word, editorial: the function not just of creating a cultural repertoire matched to a given audience or audiences but at the same time of matching the cost of production of that repertoire to the spending powers of that audience. These functions may be filled by somebody or some institution referred to variously as a publisher, a television channel controller, a film distributor, etc. It is a vital function totally ignored by many cultural analysts, a function as creative as writing a novel or directing a film. It is a function, moreover, which will exist centrally within the cultural process of any geographically dispersed society with complex division of labour.

Taking these various factors into account, we are now in a position to understand why our dominant cultural processes and their modes of

organization are the way they are. The newspaper and the television and radio schedule are montages of elements to appeal to as wide a range of readers, viewers and listeners as possible. The high levels of concentration in the international film, record and publishing industries are responses to the problem of repertoire. The dominance of broadcast television stems from its huge efficiency as a distribution medium, with its associated economies of scale.

For this reason, the notion that the new technologies of cable and VCR are fragmenting the market rather than shifting the locus of oligopolistic power needs to be treated with caution, since there are strict limits to how far such fragmentation can go economically.

### **The hierarchy of cultural industries**

As I have noted, power in the cultural sector clusters around distribution, the channel of access to audiences. It is here that we typically find the highest levels of capital intensity, ownership concentration and multinationalization, the operation of classic industrial labour processes and relations of production with related forms of trade-union organization. These characteristics are exhibited to their highest degree in the manufacture of the hardware of cultural distribution, especially domestic hardware. This is a sub-sector increasingly dominated by a few Japanese corporations such as Matsushita, Sony, Sanyo, Toshiba and Hitachi, together with Eastman Kodak, Philips and RCA. The major UK firm of this type is Thorn-EMI.

Then there are the major controllers of channels of software distribution, often closely linked to specific modes of reproduction, such as record pressing or newspaper printing. In non-print media there is again a high level of concentration and internationalization, and US firms dominate, owing to the large size of the domestic US market. Here we find some of the same firms as in hardware, e.g. RCA, Thorn-EMI and Philips joined by firms such as Warner, CBS, Time-Life, Gulf-Western and MCA. The multinationalization of print media has been limited by barriers of language. None the less, apart from the high levels of concentration in the national UK market, with three groups controlling 74 per cent of daily newspaper circulation, two of these groups—News International and Reed International—have extensive foreign interests.

The increasing tendency in this field, as an extension of the principle of repertoire, is the formation of multi-media conglomerates. Examples are Pearson-Longman and Thorn-EMI in the UK, who own interests across a number of media, thus enabling them both to exploit the same product, be it a film, a book or a piece of music, across several media, and also to expand the principles of risk-spreading not only across a range of consumer choice in one medium, but also across consumers' entire range of cultural choice. The development of such centres of cultural powers also, of course, raises barriers to entry.

Around these centres of power cluster groups of satellites. These satellites can be either small companies, for instance independent production

companies in relation to Channel 4, or individual cultural workers such as freelance journalists, writers, actors and film directors. In these satellite sectors we find high levels of insecurity, low levels of profitability, low levels of unionization and, where they exist, weak trade-union organizations. Often labour is not waged at all, but labour power is rented out for a royalty.

The existence of this dependent satellite sector fulfils a very important function for the cultural industries because it enables them to shift much of the cost and risk of cultural research and development off their own shoulders and on to this exploited sector, some of which is then indeed supported from the public purse. It also enables them to maintain a consistently high turnover of creative cultural labour without running the risk of labour unrest, or bearing the cost of redundancy or pension payments. Their cup brimmed over when, as is often the case, the workers themselves willingly don this yoke in the name of freedom.

### **The market and culture**

[. . .] [O]ne last general analytical question must be raised: what should be our attitude to the relation between the market and the cultural process? There is that general tradition, to which I alluded at the beginning of this paper, which regards culture and the market as inherently inimical. This view is powerfully reinforced within the socialist tradition by opposition to the capitalist mode of production.

I think it is crucial, however, to separate the concept of the market from the concept of the capitalist mode of production, that is to say from a given structure of ownership and from the special features derived from labour as a market commodity. In terms of this relationship between consumers, distributors and producers of cultural goods and services, the market has much to recommend it, provided that consumers enter that market with equal endowments and that concentration of ownership power is reduced, controlled or removed. However, we must be clear that removal of the power vested in private or unaccountable public ownership will not remove the need for the function I have described as editorial, whether such a function is exercised individually or collectively. It also has to be stressed that even within the capitalist mode of production the market has, at crucial historical junctures, acted as a liberating cultural force. One thinks of the creation of both the novel and the newspaper by the rising bourgeoisie in the eighteenth century and of working men's clubs and the working-class seaside holiday in the late nineteenth century.

Indeed, the cultural market, as it has developed in the last 150 years in the UK as a substitute for patronage in all its forms, cannot be read either as a destruction of high culture by vulgar commercialism or as a suppression of authentic working-class culture, but should be read as a complex hegemonic dialectic of liberation and control—which makes an analysis, for instance, of the role of broadcasting and of the BBC public-service tradition so difficult.

What analysis of the cultural industries does bring home to us is the need

to take the question of the scarcity and thus of the allocation of cultural resources seriously, together with the question of audiences—who they are, how they are formed and how they can best be served. For it needs to be said that the only alternative to the market which we have constructed, with the partial exception of broadcasting, has tended either simply to subsidize the existing tastes and habits of the better-off or to create a new form of public culture which has no popular audience; cultural workers create for the only audience they know, namely the cultural bureaucrats who pay the bill and upon whom they become psychologically dependent even while reviling them. [. . .]