



# The Cultural Economy of Cities

Allen J. Scott

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# THE CULTURAL ECONOMY OF CITIES

Essays on the Geography of  
Image-Producing Industries

ALLEN J. SCOTT



SAGE Publications  
London • Thousand Oaks • New Delhi

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First published 2000

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SAGE Publications Ltd  
6 Bonhill Street  
London EC2A 4PU

SAGE Publications Inc  
2455 Teller Road  
Thousand Oaks, California 91320

SAGE Publications India Pvt Ltd  
32, M-Block Market  
Greater Kailash – I  
New Delhi 110 048

Published in association with *Theory, Culture & Society*,  
Nottingham Trent University

**British Library Cataloguing in Publication data**

A catalogue record for this book is available  
from the British Library

ISBN 0-7619-5454-6

ISBN 0-7619-5455-4 (pbk)

**Library of Congress catalog record available**

Typeset by Mayhew Typesetting, Rhayader, Powys  
Printed in Great Britain by Athenaeum Press, Gateshead

To the memory of  
Fred Palacio  
Boulevard St Germain/Rue de Buci, Paris  
19 August 1944



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## PREFACE

This book is about the economic geography of cultural-products industries, and, in particular, about the ways in which these industries tend to materialize on the landscape in the form of dense spatial agglomerations. In parallel with this theme, I also develop an extended argument about how the economic and the cultural interpenetrate one another in modern society and how this relation makes its concrete historic and geographic appearance not only at the local but also at the global level of spatial organization.

It is currently fashionable in some social science circles to claim that the economic is embedded in the cultural. This claim is true enough, but it tells only part of the story. The other part resides in the complementary claim that the cultural is embedded in the economic; and never has this been more the case than in contemporary capitalism. In the present book, I try to take both of these claims seriously. For one thing, I am at pains to show how local (urban and regional) traditions, norms, and sensibilities actively shape the structures and strategies of business operations in the cultural economy and the design of final outputs. For another, I hammer insistently at the theme that the culture we consume, both high and low, is to ever increasing degrees produced under capitalist conditions of economic order and is hence deeply imprinted with the marks of this moment of genesis.

The argument is focused on the cultural economy as represented by a series of manufacturing and service sectors that are involved, in greater or lesser degree, in the production of images, symbols, and messages. This exercise involves three major analytical and descriptive maneuvers. First, I engage in an extended discussion of the spatial logic of the cultural economy, paying special reference to the ways in which locational concentration enhances both its competitive performance and its creative potentials. Second, I offer a series of industry studies focusing on the manner in which this spatial logic is played out in selected cultural-products sectors (jewelry, furniture, films, recorded music, and multimedia). Third, I provide detailed and synthetic accounts of the ways in which the cultural economy is organized in specific places, with an overwhelming focus on two cities which are characterized by exceptionally well-developed but also sharply contrasting cultural economies, namely, Los Angeles and Paris. In addition, I deal throughout the book with many different policy issues as they come into view, especially in so far as they relate to matters of local economic development and growth. The intended

contribution of the book to the complex questions raised by all of these matters is to show how geography – in both its local and global dimensions – profoundly shapes the logic and dynamics of the modern cultural economy, and hence also influences the appearances and meanings of the cultural products that now enter world markets in ever rising quantities and varieties.

It is no whim or accident that has induced me to focus here on questions of the cultural economy. Cultural products of all sorts constitute a constantly increasing share of the output of modern capitalism, and cultural-products sectors represent some of the most dynamic growth industries in the world at the present time. These sectors are also coming to constitute the central economic engines of a number of major city-regions across the globe. Moreover, a powerful convergence is occurring between the economic and the cultural spheres in contemporary society, and this is pregnant with consequences for both economic analysis and cultural theory. It is becoming more and more difficult to determine where the cultural economy begins and the rest of the capitalist economic order ends, for just as culture is increasingly subject to commodification, so one of the prevalent features of contemporary capitalism is its tendency to infuse an ever widening range of outputs with aesthetic and semiotic content. For better or worse, then, huge swaths of culture today are coming into the grip of capitalist supply and demand relations just like any other segment of the wider commodity system, and this state of affairs is working profound transformations on the manner in which we approach all issues of aesthetic and semiotic judgment, and on the ways in which we frame our understanding of the social significance of culture generally. In the final chapter of the book I attempt to establish the outlines of a political economy of the cultural commodity as a way of broaching some of the more difficult puzzles raised by these latter remarks.

Much of the material presented in this book has been previously published in specialized academic journals. All of this material, however, has been extensively reworked for the purposes of the present volume, and considerable new analysis and information have been added. Previously published work incorporated into the present volume appeared in: the *Annals of the Association of American Geographers*, *Competition and Change*, *Entrepreneurship and Regional Development*, *Environment and Planning A*, *Geoforum*, the *International Journal of Urban and Regional Research*, *Media, Culture and Society*, the *Monthly Labor Review*, and *Theory, Culture & Society*. Also, much of Chapter 9 was originally published in H.-J. Braczyk, P. Cooke, and M. Heidenreich (eds) *Regional Innovation Systems* (UCL Press, 1998). I wish to express my gratitude to Chase Langford and Roberto Gimeno for drafting the excellent maps and diagrams that accompany this book.

# PART 1

## PROPAEDEUTICA

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The three chapters that constitute the first part of this book are concerned with establishing some basic lines of investigation of the cultural economy generally, and of the cultural economy of cities in particular. Chapter 1 provides a synthetic overview of the entire terrain of inquiry, stressing the importance of cultural-products sectors as foci of economic growth and urban development in modern capitalism. Chapter 2 is a review of general processes of locational agglomeration. Here, an analytical language is developed which is then deployed in later chapters in detailed empirical descriptions of the economic geography of the cultural economy. Chapter 3 builds on this material by showing how creativity and innovation in the cultural economy can at least in part be understood in terms of an underlying spatial field of economic and social relationships. The discussion in all three chapters reflects *passim* upon the interplay between the local and the global dimensions of the modern cultural economy, and this theme is picked up again repeatedly throughout the remainder of the book.

# INTRODUCTION TO THE CULTURAL ECONOMY OF CITIES

As Peter Hall (1998) has shown in enormous historic and geographic detail, cities have always played a privileged role as centers of cultural and economic activity. From their earliest origins, cities have exhibited a conspicuous capacity both to generate culture in the form of art, ideas, styles, and ways of life, and to induce high levels of economic innovation and growth, though not always or necessarily simultaneously. At the dawn of the twenty-first century, a very marked convergence between the spheres of cultural and economic development seems to be occurring. This is also one of the distinguishing characteristics of contemporary urbanization processes in general.

These remarks are based on the notion that capitalism itself is moving into a phase in which the cultural forms and meanings of its outputs are becoming critical if not dominating elements of productive strategy, and in which the realm of human culture as a whole is increasingly subject to commodification, by which I mean that the culture we consume is to ever greater degree supplied through profit-making institutions in decentralized markets. In other words, an ever widening range of economic activity is concerned with producing and marketing goods and services that are permeated in one way or another with broadly aesthetic or semiotic attributes (Baudrillard, 1968; Lash and Urry, 1994). There are, to be sure, vast expanses of contemporary culture that remain external to (and even in opposition to) this nexus of relationships, though rarely are they immune from at least some partial form of absorption into the general system of commodity production. Consider, for example, the ways in which aspects of black consciousness, feminism, punk fashion, or gay lifestyles have been incorporated into the design specifications of consumer goods. Rap music and gangsta clothing represent another manifestation of the same phenomenon, and are currently strongly in evidence in much of the cultural economy of contemporary Los Angeles.

Such goods and services (let us henceforth designate them *cultural products*) are extremely heterogeneous in their substance, appearance, and sectoral origins. In some cases they flow from traditional manufacturing sectors engaged in the transformation of physical inputs into final outputs (e.g. clothing, furniture, or jewelry); in other cases, they are more properly thought of as services in the sense that they involve some personalized transaction or the production and transmission of information (e.g. tourist

services, live theater, or advertising); and in yet other cases, they may be thought of as a hybrid form (such as music recording, book publishing, or film production). Whatever the physico-economic constitution of such products, the sectors that make them are all engaged in the creation of marketable outputs whose competitive qualities depend on the fact that they function at least in part as personal ornaments, modes of social display, forms of entertainment and distraction, or sources of information and self-awareness, i.e. as artifacts whose symbolic value to the consumer is high relative to their practical purposes (cf. Bourdieu, 1971). Of course, there is considerable overlap between these sorts of cultural products and purely utilitarian objects and there is an enormous range of intermediate products (such as kitchen utensils, luxury cars, downtown office buildings, and so on) that are complex composites of the symbolic and the utilitarian. This phenomenon is a reflection of the tendency in modern capitalism for cultural production to become increasingly commodified while commodities themselves become increasingly invested with symbolic value.

As this two-pronged movement occurs, the cultural economy is coming to the fore as one of the most dynamic frontiers of capitalism at the dawn of the twenty-first century. Further, with the growth of disposable consumer income and the expansion of discretionary time in modern society, the consumption of cultural products of all kinds is expanding at an accelerating pace. In this book, I argue that the specifically geographic meaning and impacts of this vigorously evolving situation are proving to be extremely complex, and they are especially evident in a number of giant cities representing the flagships of a new global capitalist cultural economy (Knox, 1995).

## **Place, Culture, Economy**

### ***Place and culture***

Place and culture are persistently intertwined with one another, for any given place – as it is understood here – is always a locus of dense human interrelationships (out of which culture in part grows), and culture is a phenomenon that tends to have intensely local characteristics thereby helping to differentiate places from one another. The point is sharply underlined by the work of cultural critics, urbanists, and historians like Clark (1984), Davis (1990), Schorske (1980), and Zukin (1991; 1995) among many others, who have described the extraordinarily rich cultures that are to be found in a variety of urban settings.

As we begin the twenty-first century, however, a deepening tension is evident between culture as something that is narrowly place-bound, and culture as a pattern of non-place globalized events and experiences (Appadurai, 1990; Morley and Robins, 1995; Peet, 1986; Webber, 1964). Thus, on the one hand, and even in a world where the ease and rapidity of communication have become watchwords, place is still uncontestably a

repository of distinctive cultural conventions and traditions. On the other hand, certain privileged places represent points from which cultural artifacts and images are broadcast across the world and this same process has deeply erosive or at least transformative effects on many local cultures. The geography of culture, like the geography of economic activity, is stretched across a tense force-field of local and global relationships (Featherstone, 1995; Robertson, 1992), with the production of culture tending to become more and more concentrated in a privileged set of localized clusters of firms and workers, while final outputs are channeled into ever more spatially extended networks of consumption. Accordingly, if the cultural traditions and norms of some parts of the world are under serious threat at the present time, others are finding widening and receptive audiences. In fact some places, and nowhere more so than in the heartlands of modern world capitalism – places like New York, Los Angeles, London, Paris, and Tokyo, to mention only a few of the most obvious examples – continue to be unique and highly creative generators of culture, and above all, to function as the bulwarks of a new cultural economy of capitalism. Whatever the political consequences of this predicament-laden situation may be, it does not so much herald a trend to absolute cultural uniformity across the world as it does an alternative and subtle kind of regional cultural differentiation articulated with an expanding structure of national and international cultural niches (e.g. adolescents, environmentalists, art collectors, and so on).

One of the reasons – though not the only reason – for this claim about the reassertion of place as a privileged locus of culture is the continued and intensifying importance of massive urban communities characterized by many different specialized economic functions and dense internal social relationships. Large cities in modern capitalism are typically the sites of leading-edge economic activity in the form of substantial agglomerations of industrial and business activity. These cities also represent nodes of location-specific interactions and emergent effects in which the stimulus to cultural experimentation and renewal tends to be high. In this context, many complex interactions between the cultural and the economic are set in motion. Local cultures help to shape the character of intra-urban economic activity; equally, economic activity becomes a dynamic element of the culture-generating and innovative capacities of given places. This comment applies, of course, to forms of economic activity that are concerned with non-cultural as well as cultural products (Salais and Storper, 1993; Thrift, 1994). However, in cultural-products industries, the connection has special significance because of the intensity and idiosyncrasy of the relations between the cultural attributes of place and the qualitative aspects of final outputs. The contrasting cases of Los Angeles and Paris – two places that figure prominently in this book – sharply exemplify this point (see below).

In these senses, then, place, culture, and economy are symbiotic on one another, and in modern capitalism this symbiosis is reemerging in powerful new forms as expressed in the cultural economies of certain key cities. At

the same time, the more the specific cultural identities and economic order of these cities condense out on the landscape, the more they come to enjoy monopoly powers of place (expressed in place-specific process and product configurations) that enhance their competitive advantages and provide their cultural-products industries with an edge in wider national and international markets. As Molotch has written:

The positive connection of product image to place yields a kind of monopoly rent that adheres to places, their insignia, and the brand names that may attach to them. Their industries grow as a result, and the local economic base takes shape. Favorable images create entry barriers for products from competing places. (1996: 229)

It should be clear already from these preliminary remarks that the present account seeks to go beyond – though not to abandon entirely – the notion of the cultural economy of cities as either (a) the commercialization of historical heritage, or (b) large-scale public investment in artifacts of collective cultural consumption in the interests of urban renovation (Bassett, 1993; Bianchini, 1993; Frith, 1991; Kearns and Philo, 1993; Landry and Bianchini, 1995; Moulinier, 1996; Wynne, 1992). What is of primary concern here is an exploration of the intertwined effects of capitalist production processes and the ever increasing cultural content of outputs, and the ways in which these effects make themselves felt in the growth and development of particular places.

### ***Fordist and post-Fordist places***

Notwithstanding these emphatic remarks about the importance of place as a crucible of cultural and economic interactions, they require serious qualification depending on what moment in the historical geography of capitalism we have in mind.

In particular, in the era when Fordist mass production held sway in the cities of the US Manufacturing Belt, a very different set of relationships between place, culture, and economy prevailed from those that seem to be observable today in so-called post-Fordist cities (Dear, 1995; Scott, 1995). This is not to say that large Fordist industrial cities were not at this moment in time stamped by distinctive cultural formations (the variegated social landscapes of Chicago, Detroit, and Pittsburgh provide obvious and persuasive evidence to the contrary), or that their economies were bereft of cultural-products industries. However, the production apparatus of Fordist industry was focused above all on reaping the advantages of economies of scale through the standardization of products and the cultivation of mass markets. As a result, the cultural content of much of the consumer output of Fordist industry tended to become subservient to the more functional design imperatives imposed by the need for manufacturing efficiency and competitive cost-cutting (Sack, 1992). Production for specialized niche markets was relatively restricted, and even elite consumption at this time was much influenced by the functionalist, minimalist aesthetic of high



modernism (cf. Banham, 1960; Giedion, 1948). In the 1930s, the Hollywood film industry itself had ambitions – only in part ever realized – to turn out films on the same technological and economic principles as automobiles in Detroit (Storper and Christopherson, 1987). Frankfurt School critics among others were deeply troubled by the ‘eternal sameness’ of mass society and its alleged incompatibility with serious cultural values (Adorno, 1991; Horkheimer and Adorno, 1972); and even as late as the 1970s, cultural geographers like Relph (1976) were lamenting the ‘placelessness’ that they tracked down to prevailing forms of large-scale urbanization and industrial development. What few of the prevailing critics of mass society envisioned – though whether or not they would have applauded its development is altogether another matter – was the major restructuring of capitalist social and economic relations that began some time in the early 1970s and the emergence of new cultural-products sectors together with increasingly differentiated and fragmented consumer cultures. This restructuring was manifest above all in a strong shift away from Fordist forms of production and by the remarkable proliferation of new post-Fordist or flexible industries. The reasons underlying this historical change and the precise modalities of its occurrence are the subject of much debate at the present moment (see, for example, Boyer and Durand, 1993; Leborgne and Lipietz, 1992; Jessop, 1992) and need not detain us here. What is of interest is its expression in a new kind of cultural economy and in the rise of new patterns of urbanization.

We are, in short, currently observing the appearance of a distinctly post-Fordist cultural economy in the advanced capitalist societies (Crane, 1992; Lash and Urry, 1994). This remark does not signify that mass production has no place in today’s cultural economy, but it does reaffirm the idea that a vast extension is taking place in an assortment of craft, fashion, and cultural-products industries throughout the advanced capitalist economies, along with a great surge in niche markets for design- and information-intensive outputs. A provocative but revealing manner of designating this trend might be to label it as a postmodern expression of changing consumer tastes and demands involving a general aestheticization and semi-oticization of marketable products (cf. Albertson, 1988; Baudrillard, 1968; Harvey, 1989; Soja, 1989; 1996). Not that these products – for the most part – possess what Benjamin (1973) alluded to as auratic quality. They range over the gamut from, say, masterworks of cinematic art or designer jewelry to, say, tourist souvenirs or throwaway shopping bags, with the vast majority representing goods and services that trade on the basis of short- or medium-term fashion, information, and entertainment value, and on their merits as social markers (Ryan, 1992).

On the supply side, these characteristics of cultural products encourage firms to engage in highly competitive marketing strategies based on insistent differentiation of outputs. On the demand side, consumer demands are apt to be unstable and unpredictable if not outright faddish (Crewe and Forster, 1993; Hirsch, 1972; Peterson and Berger, 1975). The net effect is

that the technology and organization of production tend strongly to flexible specialization, meaning that firms concentrate on making small and specialized batches of output for tightly defined but constantly changing market segments (Piore and Sabel, 1984; Shapiro et al., 1992; Storper and Christopherson, 1987). In locational terms, firms subject to this sort of productive-cum-competitive regime typically converge together into transactions-intensive agglomerations. Examples can be found in (a) traditional centers of craft production that have experienced a renaissance in the post-Fordist era (as in the cases of the Third Italy and other areas in Western Europe), or (b) resort centers like Las Vegas, Rio de Janeiro, or the cities of the French Riviera, or (c) most importantly for present purposes, those large metropolitan areas as mentioned earlier that are rapidly becoming the principal hubs of cultural production in a post-Fordist global economic order.

### **Empirical Observations on the Cultural Economy of Cities**

Not only are there many different centers of cultural production in the modern world, but each also tends to be quite idiosyncratic in its character as a place. This idiosyncrasy resides in part in the (necessary) uniqueness of the history of any given place, and in part in the very functioning of the local cultural economy which in numerous instances, through round after round of production, becomes ever more specialized and place-specific. As capitalism globalizes, moreover, the cultural economies of cities become, if anything, yet more pronounced. In light of the observation of Adam Smith that 'the division of labour is limited by the extent of the market' (1970: 121), globalization enhances the likelihood of vertical disintegration and agglomeration within the cultural economies of individual cities and provides new possibilities for inter-city differentiation (cf. Scott, 1988a). Our task now is to assess the empirical meaning and theoretical logic of these phenomena.

#### ***Employment in the cultural economy of American cities***

Let us begin with a scrutiny of some simple statistical measures of employment in cultural-products sectors in American cities. Unfortunately, we are severely hampered in this task by the deficiencies of official sources of data and above all by the limitations imposed by the US Standard Industrial Classification (SIC). The main problem in this regard is that the categories of the standard classification are rarely fully informative, and this is especially true in the case of the cultural economy. Many sectors, even at the four-digit level of definition, are made up of collections of establishments whose outputs are quite disparate in terms of their cultural attributes. For example, SIC 232 (men's and boys' furnishings) includes establishments that make high-fashion items such as ties and fancy shirts as well as establishments that produce cheap, standardized, utilitarian outputs

such as work clothes. Furthermore, the standard classification frequently provides no direct or explicit information whatever about certain noteworthy segments of the cultural economy (such as recording studios, multimedia industries, or tourist services). The data for different SIC categories that we now consider, therefore, have a purely symptomatic and indicative value and should be taken as pointing to no more than some gross tendencies subject to correction by more careful empirical research.

With these reservations in mind, we now examine employment patterns in selected sectors of the cultural economy of American cities for the year 1992, as shown in Table 1.1. The table identifies a series of SIC categories selected after scrutiny of the lists of their constituent subsectors as reported in the official US *Standard Industrial Classification Manual*; these categories seem to provide a reasonable compromise between descriptive parsimony on the one hand and detailed characterization of the cultural economy on the other. The statistical information is broken down under two main headings, i.e. (a) aggregate employment in cultural-products industries for all 40 metropolitan areas (CMSAs and MSAs) in the United States that had populations of one million or more in 1990, and (b) aggregate employment in cultural-products industries for the US as a whole.

Three main points now need to be made. First, the cultural economy is represented by an extremely wide variety of both manufacturing and service activities. Second, with total employment exceeding three million, the sheer magnitude of the cultural economy of the United States is surprising (even admitting the makeshift definition of the cultural economy as given in Table 1.1); and examination of the record suggests that it has been growing rapidly of late. Third, a very significant proportion of employment in the country's cultural economy is concentrated in large metropolitan areas, and the proportion seems to increase as the cultural content of final products increases. Hence, only 11.6% of total employment in SIC 314 (footwear, except rubber) – a sector that comprises many standardized producers – is found in large metropolitan areas, in contrast to 96.8% of employment in SIC 781/2 (motion picture production and distribution). By way of comparison, 53.2% of the country's total population is concentrated in the 40 designated metropolitan areas. At the same time, employment in these sectors is unevenly distributed over the 40 metropolitan areas, and is for the most part concentrated in one or both of two main metropolitan areas, namely New York and Los Angeles. Exceptions to this observation are the furniture industry and the costume jewelry industry whose principal foci, respectively, are the Greensboro–Winston Salem–High Point MSA, and the Providence–Fall River–Warwick MSA. A few cultural-products sectors tend to avoid major metropolitan areas, though they still have a proclivity to agglomeration. Perhaps the clearest example of this phenomenon is the musical instruments industry whose main center in the country is Elkhart, Indiana.

Table 1.1 *Employment in selected cultural-products industries in US metropolitan areas (CMSAs and MSAs) with populations of more than one million, 1992*

SIC	Industry	Employment in metropolitan areas (000)	Employment in United States (000)	Metropolitan areas as % of US
225	Knitting mills	51.0	194.0	26.3
231	Men's and boys' suits and coats	16.3	43.8	37.2
232	Men's and boys' furnishings	46.5	263.5	17.6
233	Women's and misses' outerwear	187.6	303.9	61.7
234	Women's and children's undergarments	12.2	53.6	22.8
235	Hats, caps, and millinery	6.5	18.8	34.3
236	Girls' and children's outerwear	14.9	53.7	27.7
237	Fur goods	0.6	1.0	60.0
238	Miscellaneous apparel and accessories	13.4	35.7	37.4
2511	Wood household furniture	28.6	121.1	23.6
2512	Upholstered household furniture	18.6	79.2	23.5
2514	Metal household furniture	8.9	25.8	34.3
271	Newspapers	190.6	417.0	45.7
272	Periodicals	85.2	116.2	73.3
2731	Book publishing	53.2	79.6	66.9
277	Greeting cards	11.4	22.8	49.9
314	Footwear, except rubber	5.7	49.0	11.6
316	Luggage	5.1	9.7	52.1
317	Handbags and personal leather goods	4.8	11.2	42.9
391	Jewelry, silverware and plated ware	29.2	46.0	63.5
393	Musical instruments	3.2	12.0	26.3
394	Toys and sporting goods	31.8	96.0	33.1
396	Costume jewelry and notions	16.7	28.0	59.6
483	Radio and television broadcasting	102.8	221.8	46.4
484	Cable and other pay-TV services	58.4	129.0	45.3
731	Advertising	146.8	195.8	75.0
781/2	Motion picture production/ distribution	241.2	249.2	96.8
792	Producers, orchestras, entertainers	58.5	69.0	84.8
8712	Architectural services	93.7	121.7	77.0
	Totals	1,543.2	3,068.0	

Sources: US Department of Commerce, Bureau of the Census, (a) *Census of Manufactures*, 1992, (b) *Census of Transportation, Communications, and Utilities*, 1992, (c) *Census of Service Industries*, 1992

### ***Cultural synergies and semiotic fields***

I suggested above that post-Fordist places and their cultural economies are inclined to exhibit well-developed individual identities, as a consequence of the play of history, agglomeration, and locational specialization. This same feature is also doubtless rooted in the fact that cultural-products industries compete increasingly on crowded global markets, and that success in this

competition is aided where the monopoly powers of place are mobilized to the maximum in implicit and explicit branding of products. It is fostered, too, by the positive spillover effects that almost always tie different cultural sectors within a single city together into an industrial community with its characteristic styles, sensibilities, and thematic associations. This synergistic relation is due both to the circumstance that these sectors often transact intensively with one another and participate in shared labor markets, and to their exploitation of design cultures and images drawn from the local urban context, representing a generalized externality or competitive advantage for all.

The significance and potency of these relationships can be exemplified in many different ways. The traditional craft industries in the towns of the Third Italy represent one dramatic illustration. Since the early 1970s, industrial employment in these towns has grown by leaps and bounds, and the cultural products of the region have successfully penetrated international markets thanks to their superior quality and style based on a legacy of skilled craftsmanship dedicated to serving a traditionally discerning clientele (Becattini, 1987; Pyke et al., 1990; Scott, 1988a). Woollen textiles from Prato, knitwear from Carpi, ceramics from Sassuolo, high-fashion shoes from Porto Sant'Elpidio, furniture from Pesaro, lace from Como, and leather goods from Florence, are just a few of the products that have driven much of the remarkable recent economic growth of the Third Italy. Another set of examples might be adduced by reference to tourist resorts, each with its complex of interlocking production and service functions, and each luring consumers on the basis of some unique collective asset (physical or social) that is then made accessible and continually reimagined as the local production system does its work of commercialization (Urry, 1990; 1995). In addition, a number of major metropolitan regions (New York, London, Tokyo, Los Angeles, Paris, etc.) possess multiple clusters of cultural-products industries such as book and magazine publishing, art and design endeavors of all varieties, theatrical and musical production, radio and television broadcasting, and advertising, together with craft industries like clothing and jewelry, that thrive on the urbane climate of the great international metropolis.

Of all the individual examples of large-scale localized cultural-economic systems that might be cited in evidence of these notions, two of the most compelling are represented by the cases of Los Angeles and Paris, both of which project strong and sharp-edged cultural images, and both of which have effective global reach in terms of their ability to connect with consumers. In the former case, the cultural economy is for the most part focused on products that cater to demotic, informal, post-bourgeois tastes, and it exploits an abundant multifaceted imagery drawn from a mixture of natural local color (sunshine, surf, palm trees) and a relaxed texture of social life combined with purely fictional associations that are themselves the residues of previous rounds of cultural production (Molotch, 1996; Soja and Scott, 1996). The cultural economy of Paris, by contrast, is very

much more focused on the production of luxury articles for a more select clientele. It draws on a long tradition of superior craftsmanship and artistry, extending from the seventeenth and eighteenth centuries through the *belle époque* to the present day (Bourdieu, 1977; Castarède, 1992; Claval, 1993; Salais and Storper, 1993), and, unlike the case of Los Angeles, the concessions that it occasionally makes to everyday commercial values tend to be signs of enervation rather than success.

If the cultural products of Los Angeles share a set of characteristics that can for the most part be variously described as casual, colorful, occasionally fantastic, and accessible to mass sensibilities, those of Paris by contrast – or at least those that are most distinctively Parisian – appeal to more discriminating consumers who put a premium on traditional craftsmanship, refinement, and luxury. At the same time, the cultural economies of Los Angeles and Paris face pressing internal problems, not the least of which is the propensity in both cases for some sectors (such as clothing and furniture) to breed sweatshop forms of production relying on cheap, unskilled, immigrant labor, with the result that the quality of their final outputs is often dubious and the reputation of local producers as a whole becomes compromised (Montagné-Villette, 1990; Scott and Rigby, 1996). Problems like this pose difficult questions about the kinds of local policies and modes of collective action needed to sustain cultural production in modern cities, and such questions will be broached in some detail in later chapters.

## **Production and Distribution**

### ***Production relations***

The concept of a cultural economy (like the concept of high-technology industry) is incoherent in some respects, for it refers to a diverse collection of sectors displaying many different kinds of technologies, transactional arrangements, employment profiles, products, and so on. What provides special meaning to the concept in the present context is that the outputs of cultural-products industries are almost always susceptible – actually or potentially – to a sort of convergence on place-specific product design contours and cultural content. They are subject, in other words, to the influence of peculiar imageries and sensibilities rooted in place and appropriable by individual firms as competitive advantages. There are, too, some prominent points of correspondence among at least important segments of these industries in so far as they participate in general structures of flexible specialization and vertically disintegrated production processes. In fact, the cultural-products industries as a whole can be roughly epitomized in terms of five main technological-organizational elements:

- 1 The technologies and labor processes utilized in cultural-products industries usually entail considerable amounts of direct human involvement

- (as in the clothing industry), often and to an increasing degree complemented by advanced flexible computer technologies (as in the multimedia industry).
- 2 Production is almost always organized in dense networks of small- and medium-sized establishments strongly dependent on one another for specialized inputs and services. However, it is also common to find large and relatively integrated firms participating in these same networks, as for example in the case of the major Hollywood film studios or the leading New York publishers (cf. Cosner et al., 1982; Maltby, 1981; see also Driver and Gillespie, 1993).
  - 3 These networks form multifaceted industrial complexes that in aggregate tend to exert huge demands on local labor markets and to require an enormous variety of worker skills/attributes. The employment relation in the cultural-products industries is typically intermittent, leading to frequently recurrent job search and recruitment activities (cf. Menger, 1991; 1994). In this regard, risks for both workers and employers are reduced as the size of the local production complex increases.
  - 4 As a result of these different features, complexes of cultural-products industries are invariably replete with external economies, many of which can only be effectively appropriated via locational agglomeration (Becattini, 1987; Scott, 1988a; 1988b). Agglomeration gives rise to yet further external economies through a system of emergent effects, and in the cultural-products industries these concern above all the mutual learning, cultural synergies, and creativity effects made possible by the presence of many interrelated firms and industries in one place. In particular, creativity is not just an expression of the lonely ruminations of the individual cultural worker, but more importantly an outgrowth of multiple stimuli situated at points of interaction between many different participants in the local economy (cf. Jacobs, 1969; Powell et al., 1996; Russo, 1985). This in turn suggests the hypothesis that innovation, all else being equal, is likely to be a geometric function of the size of the relevant reference group.
  - 5 Agglomeration also facilitates the emergence of different kinds of institutional infrastructures that can ease the functioning of the local economy by providing critical overhead services, facilitating flows of information, promoting trust and cooperation among interlinked producers, ensuring that effective strategic planning is accomplished, and so on (cf. Crewe, 1996; Lorenz, 1992).

These five main points underline once again the collective character of localized cultural-economic systems and their special interest as image-producing complexes. As we have seen, such systems represent considerably more than the simple sum of their parts, for they are invariably shot through with multiple interdependencies, some of them traded, some of them untraded. For the same reason, firms caught up in these systems

often face a shared competitive fate irrespective of their individual competencies and capacities. This composite order of things means that appropriately attuned local economic development policies are not only in order but also imperative. If we take a cue from the above five points, these policies presumably need to focus heavily on such agglomeration-specific tasks as the provision of technological research services, the training of labor, the social governance of inter-industrial networks, and institution-building generally in the interests of coordinated and synergistic regional development (Scott, 1993b).

### *Distribution relations and multinationalization*

While the cultural economies of many cities today consist of dense, complex, and locationally convergent groups of producers, they are also typically embedded in far-flung global networks of transactions (Amin and Thrift, 1992; Scott, 1996). Their success, then, depends not only upon their ability to tap deeply into local sources of value-adding externalities and innovative energies, but also to distribute their outputs on national and international markets and to ensure that they can negotiate their way through a variety of cultural barriers in different parts of the world.

The process of distribution is not infrequently undertaken by phalanxes of specialized firms that straddle the critical interface between any given agglomeration and global markets. These firms are the inter-local equivalent of the intra-local agents, contractors, *impannatore*, dealers, representatives, jobbers, and others that are almost always to be found within individual agglomerations. All of these peculiar types of firm represent a response to the existence of chronic information gaps in regard to specialized trading opportunities. The essential feature of inter-local distributors is their technological and organizational capacity to funnel information and outputs from many different producers in one geographic context to many different consumers in others, and because this feature is apt to be marked by internal economies of scale, they are sometimes anomalously large in size when compared to the average size of the producers that they serve. Oftentimes, they are also engaged in different aspects of production or financing. This is the way the major film studios in Hollywood operate, though even here actual film production is being increasingly relegated to clusters of smaller production companies and their subcontractors (Christopherson and Storper, 1986; Storper, 1993). Other illustrative cases of the same phenomenon are Benetton, IKEA, and the large American radio and television networks.

The intricate tissue of the cultural economy of cities is further complicated by the fact that multinational corporations, and in particular large media conglomerates, are now making determined moves into different cultural-products sectors. These corporations ceaselessly scavenge the world for production sites, synergistic takeover and merger opportunities, and market outlets (Aksoy and Robins, 1992; Barnett and Cavanagh, 1994; Flichy, 1991; Garnham, 1987; 1990; MacDonald, 1990; Morley and Robins,



1995; Robins, 1995). As they make ever more insistent incursions into different cultural-products agglomerations, they bring about many significant changes by speeding up flows of information, by helping to streamline the financing and commercialization of new products, and by intensifying competition. But they are also a critical ingredient of success for they are essential mediating organizations, distributing products world-wide and pumping money back into localized agglomerations. Time-Warner, Turner Broadcasting, Viacom, and Walt Disney (each of which is a member of the *Fortune* 500 group of companies) are typical examples of this phenomenon. So are European firms like Bertelsmann, Philips, and Thorn-EMI, and Japanese firms like Matsushita and Sony, all of which are firmly implanted in US cultural-products agglomerations.

Many of these corporations are also engaged in developing electronic platforms for the dissemination and consumption of cultural products on a global basis. Numerous analysts and commentators have suggested that the appearance of these new distribution technologies (especially when they are harnessed to the sales strategies of multinational media corporations) will have the effect of severely eroding existing levels of cultural-geographic diversity. This, however, does not seem to be occurring in quite the way that some critics have suggested. Granted that we are likely to see the further emergence of world-wide non-place cultural communities with specific kinds of tastes and preferences, it nevertheless seems improbable that commercial cultural production will shift in the direction of entropy whether in terms of locational patterns or substantive content. On the contrary, the production of goods and services for sale on world-wide cultural markets is still almost certainly going to be tied to individual specialized agglomerations, if the arguments deployed in this book have any validity. Even with the prospective development of fully globalized electronic media spaces, geographically differentiated cultural production nodes are liable to be the rule rather than the exception (Storper and Scott, 1995). As I shall argue later, the emergence of global media spaces, by contributing to the extension of markets and thus to the deepening of the social division of labor, is likely to be associated with heightened forms of local economic development and corresponding redifferentiation of the cultural specificities of place.

### **A Preliminary Assessment**

I have tried to demonstrate in this introductory chapter how the cultural geography of place and the economic geography of production are intertwined, and how this relationship is played out above all in selected urban centers. Above all, the argument describes how, in contemporary capitalism, the culture-generating capabilities of cities are being harnessed to productive purposes, creating new kinds of localized competitive advantages with major employment and income enhancing effects.

Every output of the cultural economy represents a text of greater or lesser complexity to be read (Ryan, 1992), and few aspects of contemporary social experience remain untouched by this connection between the cultural product and the consumer. Since culture is also always about identity and power, the pervasive influence of the cultural economy raises serious political questions. A familiar expression of what is at stake here is the invasion and dilution of traditional cultures in one place or in one segment of society by commodified cultures produced in other places/segments. Another expression – perhaps even more important than the former – involves the social recuperation that flows from certain types of popular commercial culture. Neither of these predicaments, however, is unconditional. Alongside the grim analyses of the Frankfurt School about the leveling and stupefying effects of capitalist culture we must set not only the resilient and creative reception that it encounters in many sorts of traditional cultures, but also the enlightening and progressive cultural forces constantly unleashed by capitalism (Garnham, 1987), e.g. from the novel and the newspaper in the eighteenth century, to such twentieth century cultural phenomena as Bauhaus design, the films of Hollywood directors like Frank Capra, John Ford, Howard Hawks, and Billy Wilder, and those modern forms of music from jazz to rock 'n' roll that habitually challenge any notion of cultural consumption as a process of docile osmosis. There are also strong potentialities for heightened forms of cultural differentiation from place to place as the cultural economy moves into high gear, for if capitalism dissolves away certain sites of cultural expression, it actively recreates other sites elsewhere. I shall contend more elaborately below – and contrary to a number of alarmist visions about increasing cultural uniformity in the modern world – that as the trend to economic and cultural globalization deepens, these processes of differentiation are more likely than not to become more sharply inscribed in the economic geography of cultural production.