

Robert Nadler

Plug&Play Places: Lifeworlds of Multilocal Creative Knowledge Workers

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Managing Editor: Andrea Dauber

Associate Editor: Anja Steinbach

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Preface

I met Aurélien for the first time in 2008, in the context of an EU-FP6 research project which dealt with the development of creative industries in European metropolitan regions. He is a French artist who had recently moved to the city, and it was my task to collect information about his motivation to come here, an eastern German city. The project's underlying assumption was that young creative professionals would migrate from abroad to EU cities in order to establish their new home bases and help these cities prosper after decades of difficult economic restructuring. Aurélien was not my first interview partner in this series of interviews, which featured international creative knowledge workers who helped to increase our city's social fabric. Yet it was a very astonishing interview which confused some of our theoretical assumptions and which made me curious. While a large part of the other interview partners were indeed based mainly in our city, Aurélien's situation was more complex. On the one hand, he had made the decision to buy property immediately when he came here for a first visit. He had not visited the city before, but in an affective moment and with a spirit of artistic experimentalism, he bought an old brick building in a run down, deindustrialised residential neighborhood. I was convinced that something had gone fairly wrong at his former French place of residence, because he was so intent on investing in a long-term project in an Eastern German city. When I had my first interview with him, however, it turned out that he had no aspiration to detach from his former French bases. Actually, his big project – which the property in Eastern Germany is only a part of – is to develop a type of exchange system for French and German artists. Therefore a central concern in his project is to build a bridge between Eastern Germany, the French Riviera and Brittany. In this interview, a numerous list of places showed up which he regularly visited, be it for private reasons, for promoting his big project, or for strengthening his artistic career by producing and exposing artwork in both countries. And even more interestingly, in the narration the loci that were named revolved in a certain rhythm. All scales – the national, in the form of France and Germany; the regional, in the form of the French Riviera and Brittany; as well as the local, in the form of Berlin, Paris and other cities, formed a coherent pattern for the localization of his current life. In addition to this pattern of localizing, or basing, his own life in all of these places and on all of these scales, mobility between these places played an important role in his life.

This pattern – at which I could not look more closely within the frame of the aforementioned FP6 project – caused such a curiosity in me that I decided to make it my own research project. I wanted to find more such life trajectories, and I wanted to combine different individual stories into a more systematic analysis of how mobility and immobility go together in emergent creative knowledge economies. Luckily, I also found myself in the position of being part of such a creative knowledge work environment. Through the structure of the FP6 project, I got in contact with colleagues at the University of Milan-Bicocca, Italy, who were open-minded and trusting

enough to invite me to the URBEUR (Urban and Local European Studies) international graduate school. In combination with my second base at the Leibniz Institute for Regional Geography in Leipzig, Germany, I was offered a fruitful work environment in which to accomplish this project in an international setting. This book is the final product of my last years of research on the transnational forms of multilocality in creative industries. However, working internationally includes some difficulties of its own nature. I could have easily taken the comfortable route by writing this book in my mother tongue, German, but I decided to write it in English, which I consider to be an important and useful technical tool for the international academic community. I have come across a variety of German speaking scientists who told me about their hesitation to write in English. I fully understand their arguments. Yet I think that writing texts in English is only fair to the international community in which many scholars try to write in English, too, even though it is not their mother tongue. Still, I refer to quite a lot of German literature, and to a smaller extent I also used French, Italian and Spanish references. To improve legibility, I have decided to add my own translations into English in the text, and I have left all quotes in their original language in the footnotes. Therefore the reader who is not familiar with the original language can use my translations to get the point. Please be aware that these are my translations, and they have not been checked by the original authors. The same accounts for quotes from my empirical material, where I also translated on my own.

Furthermore, given the latest problems with plagiarism in the scientific field – at least in Germany – I decided to put all direct citations from other authors and from my interview partners into *italics* so that you will easily know what stems from my brain and mouth, and what does not. I will do the same with my translations into English, where only the translation originates from my brain, while the original idea of the text itself comes from others. In addition I put non-English terms into *italics* for which I did not find the appropriate English equivalent.

I hope that you enjoy reading it.

1 Introduction

‘Multi-locality, a new reality.

A growing number of Europeans enjoy parallel lives – living in Prague and working in Paris or living in Vienna while having a girlfriend in Stockholm. Known as having “multiple habitats,” the phenomenon has piqued the interest of sociologists.’

Karolina Vránková, for Presseurop.eu/Respekt Magazine, 17 December 2010¹

The quote by Karolina Vránková indicates that a new phenomenon is currently occurring within Europe and has attracted the attention of social scientists all over the continent. Europeans are increasingly organizing their everyday lives across the permeable borders of different countries. This new form of mobility does not fit into traditional concepts of migration. It is more short-term, less regular and predictable, more individual, and thus rather fuzzy at the first glimpse. In order to shed light on this new oscillation between European cities and towns, a new strand of mobility studies has emerged in the German speaking scientific community that focuses on the development of the multilocality concept. Multilocality tries to integrate the contemporaneity of movement and localization. It tries to reconstruct the relation of the mobile individual to physical and social places and space.

In this book I will pick up this early work on multilocality, and I will study multi-local lifeworlds in the specific context of the creative industries. The notion of ‘creative industries’ arrived in Europe through the United Kingdom during the late 1990s. At this moment the deindustrialization in the UK had largely been completed, and the government was looking for new forms of employment for the UK workforce. The UK Labour Party started an initiative to enhance the development of the ‘cultural industries’ (Labour Party, 1997). For political reasons, the early terminology of ‘cultural industries’ was later transformed into ‘creative industries’ (Garnham, 2005). As such, it was used by the UK Department of Culture, Media and Sport (DCMS) to describe an emerging economic sector, which had not been systematically observed before. Scholars in urban studies and regional policy (Becattini, 1991; Blackler, 1995; Landry, 1996; Helbrecht, 1998; Smith, 1998) quickly became interested in the topic of cultural and/or creative industries. These industries are considered very dynamic economic sectors and in the last two decades their growth has outpaced average economic growth within the European Union.

Following the UK Labour Party’s 1997 initiative on cultural policy and the creative economies, interest in these economic activities has risen in all EU member states. This development has been supported by EU policy. In 2000, the European Council approved the Lisbon Strategy. This policy document described several goals for the decade until 2010. One of these goals was to make the EU the ‘*most competitive and dynamic*

¹ <http://www.presseurop.eu/de/content/article/433711-multilokal-total-banal> (accessed 14 April 2014).

knowledge-based economy in the world, capable of sustainable economic growth with more and better jobs and greater social cohesion' (European Council, 2000: 2). The knowledge-based economy should be built on innovative companies, which would generate new jobs for all Europeans. In particular, the cultural diversity of Europe was mentioned as an asset for achieving this goal and founding a new source of wealth: *'Content industries create added value by exploiting and networking European cultural diversity.'* (European Council, 2000: 2). The eEurope Action Plans 2002/2005 accompanied the Lisbon Strategy with concrete measures to increase Europeans' participation in life-long learning programmes as well as their use of the Internet.

By the mid-term evaluation of the Lisbon Strategy, critics said that the Lisbon Strategy would most probably fail (cf. Blanke & Lopez-Claros, 2004; Social Platform, 2004; Tausch, 2006; Kok & Group, 2004). The final evaluations in 2010 were not much better. In the same year, the EU launched a new agenda for the current decade – the Europe 2020 Strategy – which looks largely like a minor update of the Lisbon Strategy from ten years ago. With one out of three priorities named 'Smart Growth' (cf. European Commission, 2010a: 5), it again makes the knowledge-based economy a central interest and expresses the importance of investment in research and development as well as education: *'Smart growth means strengthening knowledge and innovation as drivers of our future growth. This requires improving the quality of our education, strengthening our research performance, promoting innovation and knowledge transfer throughout the Union, making full use of information and communication technologies and ensuring that innovative ideas can be turned into new products and services that create growth, quality jobs and help address European and global societal challenges'* (European Commission, 2010a: 11f.).

Labour mobility has also become an important issue in both the Lisbon and Europe 2020 Strategies. With the Treaty of Rome in 1957, people were granted freedom of movement through all countries in the European Union (Vandenbrande et al., 2006). This treaty includes the right to work in any other EU country, and it implemented strict rules against discrimination of EU foreigners in the national law of the member states. Even today, a main goal of EU policy is to facilitate this cross-border labour mobility as a tool for labour market integration and intercultural exchange as well as mitigate the negative impacts of demographic change and regional disparities within the EU. All EU-15 countries experienced a slight increase of the share of foreign-born workforce originating from other EU-27 countries². Analysing European Labour Force Survey Data, Bonin et al. (2008: 17) observed that the share was 12.9%

² EU-15 refers to the early member states: Germany, Belgium, France, Italy, Luxembourg, the Netherlands, Denmark, Ireland, the UK, Greece, Portugal, Spain, Finland, Austria, and Sweden. The EU-27 group contains the EU-15 and the countries which accessed the EU later on: Estonia, Lithuania, Latvia, Malta, Poland, the Slovak Republic, the Czech Republic, Slovenia, Hungary, Cyprus, Bulgaria and Romania.

in 2006, compared to 10.6% in 1995. According to Vasileva (2012), in 2011 6.6% of EU inhabitants, or 33.3 million people, were foreigners. Only one third of these foreigners, namely 2.5% of all EU inhabitants, are EU nationals living in a member state different from their own nationality. Thus, there are only about 12.8 million EU nationals who might be considered mobile in the sense that they migrated across national borders within the European Union.

Even though these figures increased from 2010 to 2011, a comparison with other world regions reveals that Europeans are rather reluctant to move to another country or region. As Vandenbrande et al. (2006: 71) remark: *'both geographical and job mobility rates remain substantially lower in Europe than in the USA (the usual point of comparison): about 32% of the US population lives outside of the state in which they were born, while about 21% of the EU population has lived in a region or country other than their own (Krieger and Macías, 2006); the proportion of foreigners in the total population and in the labour force in the USA surpasses that of Europe (Turmann, 2004); average job tenure in the USA is lower than in any European country (Auer, 2005).'* While Europeans generally have a positive opinion on the EU's Freedom of Movement and on living and working abroad, they actually do not put this attitude into practice. Figures for movement across borders still score low. Vandenbrande et al. (2006: 71) say that *'only 4% of EU citizens have ever moved to another country in the EU and less than 3% to another country outside the EU. There is no indication of a mass migration in an enlarged Europe. Asked about their intentions to move in the future, only 3% of all EU citizens indicate that they might move to another EU country in the next five years.'* The authors conclude that cross-border mobility in the EU will remain low, because Europeans tend to be constrained by 'bounded mobility' which is caused by relatively strong family ties, social networks, and – important to bear in mind – cultural contexts.

Particularly this last point is interesting in light of the creative industries debate. Based on the current understanding, creative work is a linguistically and culturally bound market segment. At first glimpse, it seems to contradict with extending cross-border mobility. Therefore the overall goal of this book is to add an understanding about the role of cross-border mobility in Europe's creative industries. What does it actually mean to creative workers to live a multilocal life in different countries instead of a single one? While in the USA people move around within a homogeneous linguistic space and one national regulatory system, Europeans move between largely independent nation-states with very diverse cultural and linguistic systems. For creative workers this might be both an obstacle as well as an opportunity. On the one hand, the difference between EU countries' cultures and languages could hamper the production of cultural goods and services by creative knowledge migrant workers. In certain creative activities, it might be difficult to translate 'sense' and 'humour' between different cultural and linguistic systems. It could also become a problem to export such cultural goods and services to other EU countries and their respective linguistic and cultural systems. For example, imagine a German advertising worker who

is asked to do a funny TV advertisement in Spain: this poor person will have to learn the Spanish way of joking first. They might be able to learn and adapt to the Spanish context after a while and be able to do a good job in Spain, but then imagine that this German advertising worker comes back to Germany and would like to apply the things they learnt in Spain to a German context: they face the '*cabeza cuadrada*' problem several times while moving between the two countries.

On the other hand, being mobile and learning about a new language and culture could increase the job opportunities of migrant creative workers. Our advertising worker travelling between Germany and Spain might be valuable to companies in both Spain and in Germany, as they know how humour works in both countries. They have a specific ability to translate between cultural contexts, which could equal an extension of market range for a company that so far only operated in its own national cultural context. Neither of these possible scenarios has yet been studied, and therefore it makes transnationally mobile creative knowledge workers an interesting social phenomenon. Different from technical workers, creative knowledge workers cannot rely on a universal language such as in mathematics or computer sciences. Creative knowledge work is linked to linguistic and cultural contexts, and this makes the study of mobility between such contexts an interesting concern.

In light of the two EU policies mentioned above – targeting knowledge-based economy and labour mobility – the aim of this book is to take a closer look at what it means to be both a mobile and a creative knowledge worker. Using a set of 25 narrative and problem-oriented interviews with mobile creative knowledge workers, I intend to shed some light on how these people deal with the continuous alternation between cross-border mobility and locating in specific cultural contexts in their everyday life. I will focus on the following three fields of interest, which will each contain a set of questions:

- **The creative knowledge worker as a person on the move.** What role does mobility play in the lives of creative knowledge workers? Does high mobility change the modes of identification of creative knowledge workers? Do workers develop new hybrid identification patterns, including mobility itself in different places, jobs and social roles? It is furthermore of interest how creative knowledge workers orientate in physical and social space: Do they develop a routine of orientation in social and physical space? What do these people do while travelling? How do they perceive and use the transit time and transit spaces between their various places? Finally, how is cross-border mobility linked to creative knowledge work?
- **The creative knowledge worker as a locating person.** First, the coherence of the specific mix of places in an individual's life has to be studied: Why are exactly these places part of their life and how do these places match with each other? Then the practice of locating oneself is an interesting topic: How do these people appropriate new places to make them a part of their own life? Do they develop specific routines to appropriate new places? How do they become members of

local communities and cultural contexts abroad? Intuitively, I would assume that mobile creative knowledge workers are combining transnational and local communities. But I would suggest that this combination goes along with an inherent conflict between being an insider and an outsider at the same time in each of their loci. This also leads to the question of the relatedness of scales (local, regional, national, supranational) and how these are negotiated by these workers. To which scale do they feel they belong? Are places equally important, or are there certain hierarchies, and what roles do these spatial contexts play for creative knowledge production?

- **The creative knowledge worker in relation to places.** I suggest that places do not only influence the creative knowledge workers and their lives, but these workers also influence the places in which they live. What does the dialectic of physical absence and presence then mean to the places themselves? Here, I am wondering what type of impact it has on formerly rather stable, immobile and monolocal communities in cities and neighbourhoods if a certain part of the community is not present and available for communal activity on a regular basis. Are these mobile creative knowledge workers still available for the local community? This point is particularly interesting as the creative industries literature suggests that creative knowledge workers have a strong influence on the production of space.

While much research has been done in recent years on the development of creative industries as framed in national economies, few insights have been elaborated upon about the small group of creative knowledge workers who live and work abroad or who commute across national borders. Neither in migration research nor in the studies on creative industries, have those creative knowledge workers, who have not emigrated in the sense of a unidirectional and permanent move but who rather circulate in short-term rhythms between two or more countries, been studied. Therefore, this book will discuss the above-mentioned questions with a particular focus on the intertwined character of creative knowledge work and cross-border mobility. In addition, the literature on creative industries often suggests that creative knowledge workers are a pioneer group who can have a strong impact on places. To them is often attributed the capacity to re-define shared images and to initiate (symbolic) renovation processes in the places where they are active. This logic may be reasonable for monolocal creative knowledge workers who are physically present – but what about those who alternate between places? Here again, the issue of periodic alternation between absence and presence, caused by their multilocality, comes into play. So far, there are no empirical studies that deal with this issue of mobile creative knowledge workers and their impact on places.

To answer these questions, I will first reflect the emergence of the creative industries phenomenon and I will introduce a theoretical figure of the creative knowledge worker which is based on a discussion of the literature on creative industries

(chapter 2). Then (chapter 3) I will examine previous work that tried to understand immobility. In particular, the notions of ‘home’ and ‘identity’ appear relevant here. The recent concept of the ‘psycho-social sedentariness’ will be presented, too. Subsequently, I focus on two perspectives dealing with new forms of mobility. I will discuss the utility of the multilocality concept, on the one hand, and transnationalism, on the other. Both are concepts to understand the current mobility patterns in reference to two different geographic scales, the local and the national (chapter 4). Chapter 5 will be a synthesis of the previous separate chapters. It aims at specifying the central fields of interest for this research project. The empirical part of this book follows the logic of grounded theory, as there is very little knowledge about the links between transnational mobility and creative industries. Therefore, the design of the empirical study has an exploratory character and will result in conclusive theoretical considerations. I do not test a theoretical model of hypotheses with my data, and for those who would expect that, I must apologise in advance for the disappointment. Rather, I intend to use a socio-phenomenological approach to generate theoretical/conceptual insights for future studies. All of these methodological issues will be presented in chapter 6. Subsequently, I examine the interviews with creative knowledge workers. I have tiptoed along a line of personal relations, using snowball sampling techniques, but with theoretical sampling in mind. Using this method, I talked to 25 creative knowledge workers with distinct backgrounds. I talked with young and elderly persons, with women and men, with parents and those without children, with homeowners and individuals who did not even have a registered residence for a certain time. I talked with wealthy and less wealthy people.

Using the qualitative heuristics approach, I concentrated my analysis of the interviews on the common, the combining, and the shared issues across the individual stories – chapter 7 will give space for that. In the form of a comprehensive overview, I will describe the border-crossing multilocal lifeworlds of my interview partners. Furthermore, I will have a detailed look at these 25 creative knowledge workers’ mental maps and I will use these to reconstruct the geographies of their lifeworlds. In chapter 8, I will then reflect and discuss my empirical findings in light of existing theoretical concepts. As many themes emerged from my interviews, I decided to select only certain issues for consideration here. In chapter 8, I also present an empirically derived understanding of ‘place’ in the context of multilocality, which I call the ‘plug&play places’. Chapter 9 will contain a conclusion and an outlook for future research.

2 Creative Industries

Scholars of regional policies (see Florida, 2002; Florida, 2008; Landry, 2000; Scott, 2006), urban sociology (see Jacobs, 1970; Sennett, 2006; Sennett, 2008; Castells, 2000a; Castells, 2000b; Sassen, 2002; Häußermann, 1987; Häußermann & Siebel, 2004; Bürkner, 2005) and economic geography (see Lange, 2007; Musterd & Deurloo, 2006; Musterd et al., 2007) point out that knowledge-intensive services and the so-called ‘creative industries’ are estimated to be the new urban economy of the knowledge or information society, in other terms also conceptualised as the new accumulation regime structuring our economies (see Brenner, 1998; Marston & Smith, 2001). US regional economist Richard Florida comments (2002: xiii): *‘Human creativity is the ultimate economic resource. The ability to come up with new ideas and better ways of doing things is ultimately what raises productivity and thus living standards.’* Ross also observes (2008: 32): *‘Creative industries policy is embraced as the anchor of regional development by governments around the world on the lookout for a catch-up industrial plan. In the business world, creativity is viewed as a wonderstuff for transforming workplaces into powerhouses of value, while intellectual property [...] is increasingly regarded as the ‘oil of the 21st century’.* These two statements indicate that creative industries are thought to be the next growth machine for matured economies in the post-industrial countries. Throughout the first decade of the new millennium there was a strong presence of this topic in the media, policy debates and academic studies. I will use this chapter to clarify what exactly the creative industries sector entails. First, I will contextualise the advent of the creative industries. Then I will present different ways to define these economic activities. Subsequently, I will characterise the creative industries’ work conditions and their impact on the lives of creative knowledge workers. Finally, I will also sketch out my own understanding of a creative knowledge worker, and I will derive some conclusions for the empirical interest of this book.

2.1 The Advent of Creative Industries

During the 1980s, the UK lived through the Thatcher Era’s neoliberal political agenda. As mentioned in the introduction, the post-industrial UK was looking for a future source of income to secure long-term growth. In this process of economic restructuring, the Labour Party (1997) initiated a debate about the role of the ‘cultural industries’. When the Labour Party regained political power, it introduced the term ‘creative industries’ as used by the UK Department of Culture, Media and Sports (DMCS) (cf. Garnham, 2005). Shortly thereafter, the concept of creative industries also became an issue in continental Europe. Additionally, the popularity of the ‘creative industries’ as a research topic was boosted by US regional economist Richard Florida, whose popular book, *The Rise of the Creative Class* (2002), found wide reception.

There are various developments in recent history that have helped the emergence of creative industries and the attention they receive today. Many drivers are mentioned in the literature: reduced working time and the increase in leisure time, improved education, growing real income, a change in consumption patterns, the increasing amount of money spent on cultural services and products, etc. (European Commission, 2010b: 191). Florida integrates the emergence of creative industries into a sequence of historic innovations, following the former periods of the agricultural era, the emergence of mercantilism's trade and specialization, the industrial era, and the organizational age and extension of bureaucracy (Florida, 2002: 45–66). However, I will concentrate on the relation of information and knowledge as well as the role of the Internet and modern information and communication technologies (ICT). I think this context provides a systematic understanding of where the discussion around creative industries comes from.

2.1.1 The Information Society and the Creative Industries

Since the 1960s scientific scholars have been studying the transformation of society into something new called 'information society'. The sociologist Jochen Steinbicker provided a comprehensive overview of this topic. In this and the following subchapters, I will mainly refer to his description of the emergence of the information society and the knowledge economy, which he presented in his 2001 book entitled *Zur Theorie der Informationsgesellschaft: Ein Vergleich der Ansätze von Peter Drucker, Daniel Bell und Manuel Castells*. As the title suggests, he compared three of the main scholars of the information society, Daniel Bell (1976; 1980), Peter Drucker (1969), and Manuel Castells (1997; 2000a; 2000b).

Steinbicker understands Drucker's approach as orientated on a management perspective, as is common in economics. Drucker aims at providing management professionals with a manual for dealing with the growing importance of information and knowledge for economic production. Steinbicker here refers to Drucker's 1969 book *'The Age of Discontinuities'*. In this book, Drucker's central argument is that knowledge is the main resource for the economy in the information society. Steinbicker critically remarks that this macro-level economic approach neglects the micro-level perspective of individual people. Individual concepts and notions are important for a sociological study of the information society, Steinbicker claims. Therefore he criticises Drucker's work for remaining incomplete as it is an economic approach too focused on knowledge as a resource for the economy.

Yet, Steinbicker remarks that there are also important elements in Drucker's work, which could help to develop a theory of information society. First, there is the idea that an expansion of education within the society causes structural change. Then, the boundedness of knowledge in a person's mind is important, as this implies the central role of the knowledge worker. The person then becomes more relevant as

they apply knowledge to knowledge – the central activity in the knowledge economy. Furthermore, Drucker concluded that the growing importance of knowledge as a resource, ongoing technological innovation, and expanding innovation systems will fundamentally change the education system and scientific research.

Here Steinbicker points out that Drucker also identified a contradiction that is inherent to the knowledge worker and that is typical for the information society. Knowledge workers have the power over the knowledge they have in their brains. Thus, they start to feel independent and self-defining, but still they do not exert power over the productivity of this knowledge. This power remains in the hands of the employing or commissioning organizations. While knowledge workers consider themselves autonomous and intelligent, they still depend – similar to a factory worker in the industrial age – on their company (cf. Steinbicker, 2001: 21–48 & 109–111).

Steinbicker then turns to Bell's approach (Bell, 1976; Bell, 1980), which he considers a more analytical and a more sociological approach than Drucker's. As Steinbicker mentions, Bell's central texts concerning the information society are *The Coming of Post-Industrial Society. A Venture in Social Forecasting*, from 1976, and *The Social Framework of the Information Society* published in 1980. Two central axioms characterise Bell's thoughts: first, the central position of codified theoretical knowledge, and second, the shift from the industrial production of goods to service sector dominance. Bell emphasised the centrality of the bureaucratization of science in the information society. This bureaucratization causes the opposition of the professional ethos of scientists against bureaucracy. His notion of a 'third infrastructure', which actually refers to the ICT, is also helpful, as Steinbicker remarks. However, Steinbicker remains critical as he sees many of Bell's ideas falsified through actual developments in time. For example, Bell's idea of a changing character of work towards a playful communication between human beings has not come true. A large share of knowledge work is still based on interaction with computers and machines. Also his idea of a communal society, in which social equality would rise again, has not yet become reality (cf. Steinbicker, 2001: 49–77 & 111–113).

According to Steinbicker, Castells' approach consists of an empirical diagnosis of various developments in current society. Castells merges his observations into a draft theory of the information society that is based on networks. Here Steinbicker refers to Castells' trilogy, *The Information Age: Economy, Society and Culture* which was first published from 1996 to 1998 (here I refer to the later editions from 1997; 2000a; 2000b). Steinbicker observes that Castells, as opposed to Bell, better achieves an integration of social change mechanisms in his conception of the information society. He explains social change with the interaction of productive factors (such as knowledge in the form of knowledge workers) with the production system. According to Castells, two developments are at the centre of the advent of the information society. First, networks become the dominant form of organization. Technological and social networks interact and host the main part of communication and information flows. Thus, a culture of 'real virtuality' will make participation in the technology-based virtual

'spaces of flows' necessary for being part of the society. Second, the role of identification and identity becomes more important. In particular for the individual, self-positioning in relation to predominant networks is important for finding one's own place in society. In parallel, there is also the emergence of new social movements, which oppose themselves to the networks and their oppression. For Castells, this last point represents a new form of social emancipation. In addition, he witnesses a solution of traditional class struggle. Knowledge workers increasingly are paid in shares and options of the companies they work for. This means they become co-owners of their own production system. Critically, Steinbicker remarks that Castells' blueprint of an information society cannot claim to be a social theory. It neither provides useful analytical tools nor does it explicitly explain the role of technology. Steinbicker concludes that many concepts of Castells' remain unclear and ambiguous (Steinbicker, 2001: 79–108 & 113–115).

According to Steinbicker, these three authors have delineated helpful contours of current societal developments, but discussions concerning the notion of the information society remain unsatisfactory for those who are looking for a new and comprehensive social theory. Steinbicker looks for similarities in the three authors' literature on which such a theory of the information society might be grounded. He identifies seven comparable characteristics of the information society that can be found in the three authors' approaches (Steinbicker, 2001: 109–124).

First, the information society is based on a new economic system in which knowledge and innovation become the main drivers of economic wealth – as opposed to labour, money, land, or machinery in the agrarian or industrial societies. This includes a change in socio-economic structures. Bell and Drucker supposed that the education sector and scientific research would become the central axes of the information society. Steinbicker, however, is doubtful about that point. Rather, he thinks that education and research will lose autonomy and become more dependent on the financial capital of private companies (Steinbicker, 2001: 115).

Second, the extended availability and capacity of information and communication technology (ICT) is a central asset of the information society. ICT changes the organization of production and consumption. For Castells, ICT plays a major role in the development of the 'space of flows' and a 'real virtuality'. Furthermore, ICT exhibits a strong influence on new ways of communication, defining the character of so-called 'network companies'. They also cause an informational paradigm in the field of knowledge work. For Bell, ICT is the reason for the emergence of 'intellectual technology'. Drucker argues that ICT helps a restructuring of social and economic organization. As Steinbicker puts it, all approaches share the vision of ICT-based economic and social activity as a central aspect of the information society (Steinbicker, 2001: 116).

Third, there is a pronounced change in social organization itself. Vertically integrated and hierarchically organised structures have become less important, and social interaction is increasingly organised in horizontal and flexible ways. Drucker and Castells explain this change independently of the ongoing digitalization and the

extended use of ICT. For them, organizational change occurs because of the necessity for flexibility, adaptive capacity (life-long learning) and efficiency. Castells mentions that the network organization, which could be understood as an output of this process of change, will be the dominant type of organization. Drucker speaks of creative and knowledge-based organizations. Somewhat opposed, Bell designs his proposal around the observation that cultural change precedes organizational change. The changing cultural norms and values put pressure on hierarchical companies and organizations to develop a more social character and to put less emphasis on economic aspects. Bell stresses the central and axial position of publicly financed scientific research and theoretical knowledge for the economy (Steinbicker, 2001: 116f.).

Fourth, knowledge becomes the central input in the working world. Thus, knowledge workers are strategically the most important group of workers today, and their share in total employment is rising. Again Bell argues differently from Drucker and Castells. For Bell, the central shift in the working world is from secondary sector production (industrial goods and manufacturing) to tertiary production (services). Drucker and Castells rather argue for the changing nature of work itself, irrespective of the economic sector. For Drucker, work is more and more defined by the application and creation of knowledge. This means that formal education is important, less for its content, but rather for teaching people techniques for continuously acquiring new knowledge. This capability for life-long learning is the central resource for knowledge workers. Drucker argues that change in the working world is caused by the expansion of a positive evaluation of formal education in the post-industrial societies. Thus, it is first of all a cultural change concerning norms and values that includes a higher evaluation of education. This shift in values and norms is in line with Bell's argument that the information society comes along with rising importance of post-materialistic values, such as liberalism, a focus on educational attainment, health, quality of life, culture, etc. Like Drucker, Castells stresses the role of 'adaptive capacity' in informational work environments. However, Castells does not speak of a wider shift in value systems. According to him, only the culture of a 'real virtuality' and the ensuing bottom-up social movements are an indication of cultural change. Steinbicker summarises that the three approaches share the conviction that the growing role of knowledge, technological necessities and communication will alter the formerly hierarchical modes of control and organization in the working world (2001: 117f.).

Fifth, there is a transformation in the factors that define social stratification. Increasingly, access to knowledge and education is a central element for a person's position in society. While Bell and Castells speak of talent and skills as the central criteria for being in an advantaged position, Drucker argues that, even independent of talent and skills, everyone has the possibility to become a successful knowledge worker through education. The growing importance of the educational system is central in all these approaches. This includes the awareness that a person's social position will most likely be defined by access to and the use of the educational system (Steinbicker, 2001: 118f.).

Sixth, the state loses power in regulating the social system. The power relations between the economy and the (nation) state change in favor of the global economy. Here, the three authors show significant differences in their interpretations, as Steinbicker remarks. Drucker expects the formerly central position of the state to be devalued through the rise of competing organizations (e.g. NGOs, multinational corporations). The role of the state will be reduced to a coordinating function. For Bell, the political elite will remain central and will develop new modes of control that will be diversified internally through particularistic lobby groups. In contrast, Castells thinks that societal organization will be based on networks, which themselves will exhibit power within distinct social spheres. A new 'networking logic' will develop and will determine society. Important networks such as the global financial system, the global media, the networks of political institutions, and multinational corporations will all form 'spaces of flows' around the globe, in which communication and information flow are based on ICT (Steinbicker, 2001: 119).

Seventh, new social conflicts will arise. There will be less of an industrial conflict between labour and capital. Yet, given the growing divide between high-skilled knowledge workers and non-skilled/low-skilled service workers, emerging tensions are expected in the field of service industries (Steinbicker, 2001: 9–11). Bell mentions that a conflict between meritocracy and populism might evolve. Bell and Drucker also envision a conflict between knowledge workers, with their individualistic ethos, and the ongoing bureaucratization of the knowledge economy, in particular in the field of scientific research.

Steinbicker concludes his comparison of these three approaches with the observation that they still do not form a coherent theory of the information society. According to him, merging the three approaches is not possible, as individual concepts within them even argue in opposite directions. Yet, two main aspects are similar. First, productive factors change. Knowledge becomes the central resource for production. The relationship between science, the state and the economy will change. The economy will be differently organised than in the industrial production. Second, the working world will change dramatically. Knowledge workers will be confronted with inner conflicts between their self-understanding (emphasizing autonomy and self-actualization) and their role in the economic system (functioning element in bureaucratic companies). Even though he criticised Bell's idea of a more humane character of knowledge work, Steinbicker still believes that work will be more playful in the future. This is because it will be happening more between people. In the industrial society, work was often an interaction between human beings and large machines. In the information society, it has become more communicative and interactive through human-human relations, even if mediated by ICT. These two aspects might form a frame for a theory of the information society, which would still need further empirical elaboration (Steinbicker, 2010: 121).

It becomes clear in this brief documentation of the discussion around the notion of the information society that this concept is clearly linked to the central role of infor-

mation, knowledge and innovation. Dealing with and developing new knowledge, trading information and processing information are all activities that have become more and more important in the post-industrial society. The main supporters of this change are the knowledge workers.

How is this discussion on the information society linked to the notion of the creative industries? Looking at recent policy documents, creative industries and creative knowledge workers are now described as fulfilling a bridging function between arts, philosophy, science and business (cf. European Commission, 2010c: 5). They are linked to the extension of the information society (European Commission, 2010c: 2). We can see that creative industries and creative knowledge workers are understood as a central group of actors in the information society who put into practice the first of the seven elements that Steinbicker outlined in his reflection (see above): creative knowledge workers assist in linking the innovation and creation systems closer to the economy and to the private capital. In addition to being a pioneer group, producing innovation and information, they are a driving element in the emergence of what is called information society.

Creative knowledge workers could therefore be considered a specific group of workers who are part of the advantaged group of high-skilled knowledge workers. In the literature stemming from scholars of the information society, on the one hand, and from scholars of the creative industries, on the other hand, we can find many similarities in the description of these workers. Here, one can understand the information society as one of the sociological anchor points of the creative industries. The study of creative industries is often conducted by regional economists and economic geographers who take an economic perspective. They look primarily for the impact of creative industries on regional development, using a focus on economic and financial aspects (e.g. growth rates, employment, productivity and turnover). However, concerning the social character of creative industries, much has already been announced in the early work on the information society (e.g. the growing role of knowledge, information, communication; the centrality of ICT; the network based organization; post-materialistic values). It is very helpful to look at these sociological results in the field of 'information society' studies in order to better understand what creative industries are like.

2.1.2 The Knowledge Economy and the Creative Industries

Apart from wider societal shifts to an information society, there is also literature which deals with a stronger focus on the changes taking place in the economic system. Steinbicker's 2001 textbook is also helpful for recapitulating the emergence of the knowledge economy as a scientific topic. He describes how economists began to deal early on with the role of data processing and information for late-industrial production. The economist Fritz Machlup (1962) was the first to speak about the 'knowledge

industries'. Machlup's study *The Production and Distribution of Knowledge in the United States*, from 1962, is considered the groundbreaking work for the development of studies around the 'knowledge economy' (cf. Steinbicker, 2001). Machlup tried to quantify how much of the US gross domestic product (GDP) was based on knowledge work. His basic distinction was that of 'knowledge producing activities' and 'non-knowledge producing activities'. Machlup identified a 29% share of GDP related to the knowledge economy for the US in 1958. He also observed an increase from 11% of knowledge work in 1900 to 32% in 1959 (referring to knowledge producing activities according to his definition).

While Machlup also included the domestic and private work (e.g. of parents who teach their children) or on-the-job training, Porat excluded such non-market activities in his studies in the 1970s. Based on Machlup's ideas, Porat divided the economy into four sectors: extraction (agriculture, mining and resources), producing industries, service activities and information services (cf. Steinbicker, 2001: 15–17). Porat and Rubin then introduced the important novelty (Porat & Rubin, 1977) of distinguishing between a first and a second information sector. The first information sector consists of companies which primarily produce, sell or trade with information. The second information sector contains the organizational entities of large industrial corporations which process information as a service to other industrial activities within the same organization (e.g. the advertisement department of a car manufacturer). Porat reports a 46% share of GDP for the US in 1967, being spread to 25% in the first information sector and to 21% in the second information sector. Both authors, Machlup as well as Porat, predicted an extensive growth in the knowledge economy, but which actually did not happen as quickly as expected (cf. Steinbicker, 2001:16f.).

With the advent of information's mass distribution through radio and TV, Japanese authors also started to deal with the knowledge economy (cf. Morris-Suzuki, 1988). In 1963, Japanese author Tadao Umesao also developed a four-sector model of the economy, including a distinct information sector (cf. Steinbicker, 2001: 17f.). Umesao was convinced that the mind would become industrialised and the future society's main activity would consist in the production of symbolic value. In the 1960s, the Japanese government also commissioned several studies that dealt with the advent of the information society. As Steinbicker mentions, the notion of the 'information society' itself dates back to Yujiro, who suggested that the growing wealth in advanced industrial economies would lead to an increased demand in emotional goods orientated to fashion, lifestyle and quality. According to Yujiro, this was related to a growing share of information costs in the total production costs of many goods (e.g. costs for research and development, design, marketing) (cf. Steinbicker, 2001: 17f.). Thus the Japanese authors observed the link between societal and economic changes early on.

Given the rise of the knowledge economy as the wealth generator of the information society, we should also consider the relationship of the knowledge economy to creative industries. First, empirical data suggest that creative industries are an important part of the wider knowledge economy. Labour Force Survey data indicates that

creative industries have the highest proportion of employees with tertiary education (ISCED levels 5 & 6), ranging up to 57% as compared to 26% in the total EU economy (European Commission, 2010b: 199). Changing the perspective from employment-based to occupation-based numbers, the share of tertiary education increases to 78% in creative occupations as compared to 24% in non-creative occupations (European Commission, 2010b: 202f.). I would interpret these numbers as primary evidence for the close interrelation between the creative industries and the education sector. Creative knowledge workers consume knowledge and information before entering and while working in the creative industries. This knowledge is, in fact, sold by the educational institutions, which are a central element, as they trade knowledge within the knowledge economy. By contrast, the highly-skilled creative knowledge workers also 'create' and produce new knowledge, which is sold to the educational sector. Both sectors are strongly interwoven and interdependent. Creative industries produce knowledge, symbolic value and emotional goods, which are often distributed to the wider economy and society through the educational sector.

Another point is the high share of labour costs in total value added in the creative industries. Creative businesses' main production asset is their human capital, the creative worker who is used to provide a service or good. Thus, staff costs range the highest on the input side. In other words, labour productivity is generally higher than in the total economy. This again indicates the central role of the creative industries as a part of the knowledge economy (cf. European Commission, 2010b; European Commission, 2010c).

UK data also show that creative businesses are more innovative than other economic sectors. This refers to different aspects of innovation concerning products, processes and broader general innovation. While 32% of the UK's creative businesses have introduced new products in the last three years, only 21% of other economic sectors equally did. In addition, 16% of creative businesses improved their production processes, as compared to 11% of all other businesses. This difference becomes even more pronounced when distinguishing between the more relevant new-to-market innovation and the less relevant new-to-firm innovation. Additionally, wider innovations were presented by 40% of creative businesses and only 29% of all other businesses. The Community Innovation Survey (CIS) data suggests that the main drivers of this innovation are the software businesses within the creative industries. They have a high output of innovative software products and licences, but advertising and architecture are also drivers of innovation through continuously creating new service models. Reporting this data, the European Commission concludes that creative industries *'engage in more innovation-related activities, undertake more R&D, invest more in training, and spend more on design than firms in other sectors'* (European Commission, 2010b: 218ff.). Evidence can also be found for the strong linkages between universities/scientific research and the creative industries, with creative industries evaluating fundamental research more as important than many non-creative businesses. Finally, customers and clients are also considered an important source of knowledge to be used

for innovation and for breaking up traditional hierarchies between experts and non-experts. In particular, software and architecture firms tend to use these two sources of knowledge and innovation in an extensive way (European Commission, 2010b: 221).

We can see that creative industries are prototypical for the character that is attributed to the knowledge economy. They are dominated by service sector activities that require high-skilled labour. And they are based on the elaboration of knowledge through creative processes. Furthermore, they often produce symbolic content, which serves as an intermediate input to industrial companies which later sell physical goods.

2.1.3 Internet, ICT and the Creative Industries

According to Steinbicker (2001), early scholars in the 1950s tended to think of the extension of automation as well as information and communication technology (ICT) as a deliverance from the social oppression through labour. The future vision entailed a large share of people working in the service sector, in which automation and rationalization seemed impossible. On the other hand, there was an infinite variety of new and innovative services that might be invented and transformed into tradable goods. The emergence of a more leisure-based society was also observed in that time. Steinbicker (2001: 13–15) critically examines the supposed link between ICT and the emergence of the information society. The rapid integration of the notion of ‘information society’ into political and scientific debates was not caused by but accompanied the rapid extension of ICT availability, as he says. Steinbicker mentions that there were already discussions about information society – e.g. in the 1960s with early micro-electronics as well as mass TV and radio access – before ICT even became available for the wider public throughout the late 1970s. In fact, the ICT development path could be traced back to the early 19th century, when no one imagined an ‘information society’. Steinbicker argues that there is only a temporal coincidence of the ICT’s and the information society’s advent. Yet, there is no unidirectional causal relation between the two. The link between the two is always dependent on social structures and their capacity to include ICT in societal organization, as Steinbicker remarks.

Though we do not live in a world in which we are released from work, as envisioned in the 1950s, I posit that the development of ICT was a milestone for the advent of creative industries. While the technological development and the affordability of ICT itself enhanced the efficiency of the creative production process (cf. Sinan et al., 2012), so could new business models be developed only through the emergence of the Internet. Today a large number of successful creative businesses are based on internet-mediated access to clients and customers.

We can find some arguments for this in the *European Competitiveness Report*, published by the European Commission (2010b). The Internet has been important for the creative industries in several ways. First, the development of the technology itself – including software development – and the extended provision of ICT infrastruc-

res allowed for an easily accessible virtual marketplace. Therefore, the Internet is an important issue on the sales side, namely for the distribution of creative goods and services. In the European Competitiveness Report, the European Commission mentions: *'ICT and the internet are leading to new forms of distribution, more choices for consumers, and a more efficient production process'* (European Commission, 2010b: 191). New business models are evolving in the field of e-commerce. For instance, the advertising sector has gone through a wave of massive digitalization, with online advertising making up at least 20% of the EU market. The music industry has similarly been affected by the expansion of digital markets, with decreasing sales in traditional retail stores and an increasing, very dynamic online market (European Commission, 2010b: 199). These developments are strongly based on the growing accessibility of clients and customers through the Internet. More people tend to be online, they stay on the Internet for more time, and they have better broadband access. In 2009, a study by the International Federation of Phonographic Industries (IFPI) even reported a correlation (at the level of 0.8) between the availability and use of broadband internet connections, on the one hand, and the size of creative industries in different EU regions, on the other hand (IFPI, 2009; cited according to the European Commission, 2010b: 199). Thus, the technological possibilities that come with ICT seem to be exploited in efficient ways by actors in creative industries. The European Commission writes (2010b: 218): *'Current means of mass (re)production, mass consumption, and commercialization of artistic/creative content have been made possible mostly by technological advances in the fields of information and communication technology (Cunningham et al., 2004). In fact, creative industries are intense users of ICT innovations in particular, as well as other new technologies. For instance, digital technologies and compression methods for audio and video signals that allow efficient storage and rapid transmission with little loss of quality have created new, low-cost means of sales distribution.'*

Seventeen percent of non-creative businesses operated their own e-commerce solutions by 2000—in comparison with 30% of creative businesses. Creative industries have been early adopters of ICT innovations, as W@tch Survey data from 2005 indicates (European Commission, 2010b: 219). Also, in the Green Paper on creative industries, the European Commission stressed the central role of ICT, which provides *'new opportunities for creators to produce and distribute their works to a wider public at a lower cost, independently of physical and geographical constraints.'* (European Commission, 2010c: 6).

Recently, the UK-based Interactive Media in Retail Group (IMRG) published its *B2C Global e-Commerce Overview 2012*³, in which it estimates that the global volume

³ http://imrg.org/ImrgWebsite/User/Pages/B2C_Global_e-Commerce_Overview_2012.aspx (accessed 14 April 2014)

<http://www.internetretailer.com/2012/06/14/global-e-commerce-sales-will-top-125-trillion-2013> (accessed 14 April 2014)

of e-commerce was US\$ 961 billion in 2011, which indicates an increase of 20% over the previous year. The USA represents the world's largest national market, totaling US\$ 297 billion. Between 2011 and 2012, China had a growth rate in e-commerce of 130%, and the EU represents the largest market worldwide, accounting for a total volume US\$ 307 billion. Furthermore, the study suggests that 2.2 billion people worldwide use the Internet. The number of internet users is rising rapidly and it will reach 50% of the world's population in the coming years. In 2010, the US Census Bureau published another study⁴, in which the authors calculated estimates for e-commerce volumes based on annual business surveys. Here, it becomes obvious that business-to-consumer (B2C) e-commerce only accounts for 10% of all US e-commerce. Thus, the business-to-business (B2B) e-commerce volumes are much larger. In the US economy, e-commerce accounts for 16% of all value of shipments, sales, or revenues. These numbers highlight that there is a growing sales potential in virtual markets for all types of creative businesses.

Second, the Internet has also become a large source for market-relevant information and knowledge. As such, it is a productive factor. In a study done at the University of California Berkley's School of Information Management and Systems in 2003,⁵ it was estimated that each person on the planet produced about 800 Mbytes of new information in that year alone. The annual growth rate of information of mankind was 30% between 1999 and 2002. Furthermore, the authors found that 750 Gbytes of information circulated through instant messaging each day, equalling 274 Terabytes a year; email accounts totaled 400,000 Terabytes a year; and 92% of new information is stored digitally. Even though there might be a lot of methodological issues in these figures, they still provide an estimate of the relevance of the Internet as a source of information.

Third, the Internet allows for a flexible organization of work. With internet-based communication tools (virtual hard drives, cloud computing, chat rooms, online telephoning), the production of creative goods and services is increasingly organised without physical co-presence in one place. This does not mean that face-to-face contact becomes unimportant, but teams can be managed in a more flexible and independent manner.

2.1.4 Information, Knowledge, and Creativity

At this point it might be helpful to come back to the different semantics of the three words knowledge, information and creativity. They are actually at the core of the

⁴ <http://www.census.gov/econ/estats/2010/2010reportfinal.pdf> (accessed 14 April 2014)

⁵ <http://www2.sims.berkeley.edu/research/projects/how-much-info-2003/execsum.htm#summary> (accessed 14 April 2014)

issues that I have discussed above. So far, I have used these terms in an unreflective way. I have done so for practical reason, namely in order to illustrate how the ideas of a knowledge economy, an information society and creative industries can be linked. Still, I think we must come back to these three basic notions to understand how the focus on creativity and creative production evolved from the other two terms.

Abel (2008) provides a detailed discussion of the notion of 'knowledge'. According to Abel, there are different forms of knowledge which can be differentiated from each other. Generally one could say that knowledge consists of *'everyday habits, customs, competencies, and practices as well as science, technology, and institutions of the modern civilized world'* (Abel, 2008: 11). However, this general understanding does not greatly increase our understanding of the character of knowledge. Abel then explicates that there is a narrow and a broad way to speak of knowledge. The narrow way refers to knowledge *'obtained by a methodologically well-regulated procedure bound to justification, truth, and verification'* (Abel, 2008: 12). This includes the following criteria: that a person is able to explain how this knowledge came into existence and that the knowledge generation must be intersubjectively verifiable. The broader definition, by contrast, refers to all everyday life knowledge ('know-how') which helps us to orientate in the world and to react appropriately within any given situation. Based on this two-fold differentiation, Abel then introduces a four-fold system of forms of knowledge. First, there is everyday knowledge (the unreflected basis for action); second, there is theoretical knowledge (e.g. mathematics); third, there is knowledge of action (knowing how to do things); and fourth, there is moral or orientational knowledge (guiding social interaction).

In all these four forms of knowledge one can further distinguish between the different ways that these forms of knowledge can be transported intersubjectively. On the one hand, there is explicit knowledge that is displayable, as Abel says. This means that other people can also obtain that knowledge through indirect ways (independent of direct communication with the knowledge producer). Reading a book could be an example of one such transfer of explicit knowledge. By contrast, implicit (or tacit) knowledge is not displayed. It is inherent in a person's mind, and it links different things that we know in any given situation.

Furthermore, knowledge can have a verbal character, which means that it is articulated through language. Conversely, the articulation of non-verbal knowledge is not limited to specific linguistic systems; it can be transported through other channels. Abel also explains that there is a difference between propositional and non-propositional knowledge. Propositional knowledge can be expressed in a 'that clause' through words (knowing that something is). On the other hand, non-propositional knowledge cannot be put into such coherent wording. Finally, there is also a distinction between matters of fact, which consist of existing objects and events, on the one hand, and abilities or skills, on the other. Matters of fact can be observed and perceived by different people. Abilities and skills are bound to a person, and they refer to the 'know-how' of doing things.

For Abel, knowledge is not something atemporal or innate that exists independently from a person's individual context. Rather, knowledge is embedded in specific cultural contexts: *'The thesis is that, for humans as finite and perspectivist beings, contents of knowledge and forms of knowledge cannot exist independent of the forms, practices, and dynamics of the underlying representational, interpretational, and sign system'* (Abel, 2008: 15). This observation includes the dynamic character of knowledge, which could change with time and through transportation into different interpretational systems. Abel points to the problems that arise in translating knowledge—in particular explicit, scientific knowledge—between various linguistic systems. As mankind has not yet found a 'best' way to organise such translation of knowledge between interpretational systems, we have to accept the plurality in the ways that knowledge is generated.

At this point, Abel also speaks about the *'best and creative brains'* (2008: 16) that are necessary to elaborate useful translations between interpretational systems. Here, we can see that knowledge itself has a certain relation to creativity. Knowledge itself is not universally applicable, but it needs creativity to make it interculturally efficient for a knowledge society. I will return later to what relation exists between creativity and knowledge.

Let us go on with the notion of information. Abel (2008) explains that information is a common buzzword in the frame of social and technological change. He remarks that there is currently much confusion between the two terms 'information' and 'knowledge'. It is not clear anymore if we are living in a knowledge society or an information society. Thus, some clarification is necessary. In a fundamental understanding, information is a bridging process between physical cognition and phenomenal processing in the brain. This involves the logical consequence that information is always treated and processed through the lens of existing knowledge. Information has to be interpreted, and interpretation needs former knowledge. In opposition to the oft-suggested idea that information exists before knowledge in a person's lifeworld, Abel thinks that information does not exist independently of knowledge. Information only becomes 'information' when it is perceived and processed as such by a knowing human being (Abel, 2008: 17f.). Self-critically, Abel remarks that in certain spheres information can exist before knowledge, e.g. in public social opinions as transported in the media. However, I think that the basic model is more helpful to an understanding of the relationship between knowledge and information: information has to be perceived by human beings, it has to be processed using interpretation that actually relies on knowledge, and it can then become part of new knowledge.

What is the role of creativity then? An interesting overview of the philosophical understanding of the term is provided by sociologist Ulrich Bröckling. Bröckling (2006: 513) formulates: *'Creativity is tied to the human potential to bring into being something new. Its basis is, first, the power of imagination as the capacity to make the absent present; and second, building upon this, fantasy as the capacity to realize the (as yet) inexistent'*. According to Heinrich Popitz, Bröckling explains that creativity con-

tains three overlapping elements, which are ‘exploration’ (discovery, invention, new knowledge), ‘shaping’ (producing artefacts), and finally the ‘generation of meaning’ (interpretation, reasoning). We can see that such an understanding already contains links to the notion of knowledge. Creativity is, on the one hand, the production of new knowledge through exploration, but it is also the semantic and symbolic re-processing of existing knowledge into forms with new meaning and content.

Bröckling then describes six fields that can be used to develop a refined definition of creativity. First, creativity can be understood as artistic expression that is something innate to the human being. Second, creativity can be thought of as production process, referring to the relation between the human being and what they produce with their own work. This field is linked to an iconic understanding of the craftsman and artisanal handicrafts. In this understanding there is a connotation of self-actualization through work, which nowadays shows up again in the description of creative industries, although they do not necessarily manually produce goods. Third, if one focuses on the aspect of problem solving, then creativity is more related to invention and innovation. In their own lifeworld, human beings are continuously confronted with new situations in which routines and instincts do not suffice for an appropriate reaction to an unexpected situation. Thus, the unknown situation calls for a new and ‘creative’ way to deal with it. Bröckling mentions that the figure of the inventor is exemplary of this type of creativity. Fourth, creativity can also be related to the idea of revolution. The term creative destruction explains how people extend borders that were formerly thought of as intransgressible. A fifth field of creativity is articulated in the notion of life itself. Related to biological creation and evolution, creativity also contains an element of vitality, survival and adaptation. Finally, and sixth, creativity refers to the metaphor of play and purposeless activity. Bröckling concludes that creativity is the interplay of inventing the new and reshaping the existent.

‘*Creativity involves the ability to synthesize*’, says Richard Florida (2002: 31). Other than intelligence – which is the ability to deal with large amounts of data – creativity serves to combine existing materials, things and concepts in a new and useful way. Florida mentions a four-step model that characterises creativity (2002: 33). During a creative production process, the first step consists of ‘preparation’. This means that the creative knowledge worker studies a given problem by logical means. In the second step, called ‘incubation’, the creative knowledge worker’s conscious and subconscious minds interrelate. Then, the creative knowledge worker realises a new synthesis through ‘illumination’. And finally, this new synthesis is tested for its usefulness through ‘verification and revision’. ‘*Creativity cannot be switched on and off at predetermined times*’, Florida mentions (2002: 14). Thus, in line with Bröckling, Florida also refers to the fact that creativity is always present in the life of each individual. Yet, he is convinced that creativity is also manageable and can have a cumulative effect: ‘*Creativity involves distinct kinds of thinking and habits that must be cultivated both in the individual and in the surroun-*

ding society. [...] It reflects norms and values. [...] Furthermore, creativity requires a supportive environment that provides a broad array of social and cultural as well as economic stimuli' (Florida, 2002: 22). Here, he suggests that specific contexts can lead to more creativity than other ones.

I will conclude this brief and somewhat cursory discussion of these three notions with the following observation: we can understand information as an input to the development of knowledge; and the process of making knowledge from information could be described as creativity. From that conclusion, it becomes obvious that the advent of the creative industries debate can be traced back to early scientific work dealing with how information and knowledge have influenced our post-industrial society and economy.

2.2 Definition of Creative Industries

In making creative knowledge workers the object of analysis in this book, it is important to have a look at the discourse of the definition of the sector and its workers. What is this whole discussion about? The basic problem with the definition of creative industries is that it is rather difficult to estimate how strong creative work penetrates the economy as a whole. As I discussed above, scholars of the knowledge economy have realised that there is an autonomous sector, but there is also knowledge work as part of other sectors such as automotive, chemicals, or food. The same accounts for creative input that is part of nearly all industrial goods, or even public services. Therefore it is not an easy task to define creative industries and make them distinguishable from other sectors. There is great variety between different scholars and their viewpoints. However, all the publications share the characteristic that they define creative industries in two ways. On the one hand, there is a rather 'soft' way—applying qualitative descriptions. On the other hand, scholars try to delineate creative industries in a 'hard' way through statistical analysis using standardised industrial or occupational classifications (like the ISCO or NACE schemes). I will briefly examine which definitions could be found in the literature before describing my own understanding in the framing of this book.

2.2.1 Soft Definitions: The Qualitative Dimension of Creative Industries

An important and early contribution was the book titled *Creative Industries* by Richard E. Caves (2000). Caves dealt with the question of how creative industries differ from other business activities and could thus be distinguished for analytical purpose. In particular, he stressed the different modes of the organization of production as compared to other economic sectors. Applying economic contract theory, he studied under which circumstances tasks were organised as in-house activities or as out-sourced

market transactions. According to his definition, creative industries are those sectors (2000: 1) *'supplying goods and services that we broadly associate with cultural, artistic, or simply entertainment value. They include book and magazine publishing, the visual arts (painting, sculpture), the performing arts (theatre, opera, concerts, dance), sound recordings, cinema and TV films, even fashion and toys and games.'* Caves explains that creative industries are to be distinguished from other economic activities. He writes (2000: 2): *'What I stress instead is that creative goods and services, the process of their production, and the preferences or tastes of creative artists differ in substantial and systematic (if not universal) ways from their counterparts in the rest of the economy where creativity plays a lesser (if seldom negligible) role'*. Why is that? Caves describes seven basic properties of creative industries that make these sectors different from other economic activities.

First, the demand for creative goods and services is rather uncertain. Creative producers often do not react to an existing demand in the market. In many cases, they develop goods and services that can only be sold if the producers create the demand for their product along with the product itself. Thus, creative production is associated with strong uncertainty concerning the sales potential. It contains a high economic risk. In addition, creative products and services are *'experience goods'* (Caves, 2000: 3). This means that the products' evaluation, following the consumption experience, is rather subjective and less predictable. The problem is not asymmetrical information – as in many buyer-seller-relations – but it is *'symmetrical ignorance'*: the seller does not have a clue about the expected demand of a creative product, and the buyer does not know what *'experience'* he is going to buy.

Second, creative producers care about the quality and the reputation of their *oeuvre*. While not all customers may be able to appreciate the quality of a creative product, creative producers also value the evaluations of their colleagues. Thus, creative producers put more effort into the production of a good than they are actually paid for. This problem is also linked to the first property because the problem of *'symmetrical ignorance'* comes into play here. The creative producer does not know in advance if they have translated a great vision or concept into a creative product that is understood as *'great'* by consumers, too. Often the creative producer's vision is not understood as such, and it does not pay off in financial terms (Caves, 2000: 3–5).

Third, the diversity of experts with different specializations who collaborate on the production of a creative product is an important aspect of creative industries. When many creative experts with individual (artistic) tastes have conflicting opinions about the product as a whole, then collaboration becomes a difficult issue. Often, these conflicts are not solved through formal contracts but through a *'rank-order mechanism of "muscle"'*, as Caves writes (2000: 5). Collaboration is also characterised by what Caves calls a *'motley crew property'* (2000: 6), which in economic theory is known as the multiplicative production function. Whereas in a simple production function each individual input is substitutable, in creative industries this is

often not the case. When individual inputs are highly specialised and unique, and thus a necessary piece to the output as a whole, then team collaboration is a decisive and constitutive element for a product's final realization. However, there is a double difficulty in terms of production teams: on the one hand, individualistic artist characters, who have very specific tastes and self-understanding, need to compromise with others who are similarly individualistic. Only through such collaboration can a complex creative product be elaborated. On the other hand, if one of these individuals is not satisfied with the compromise and quits the team, they cannot be replaced by another artist with a similar qualification—remember: 'their input was unique'—and the whole product will not likely be realised.

Fourth, creative products are often unique and less comparable than other products. Given the particularity that they have to be 'experienced' first, a consumer can only compare two creative products to each other (e.g. two movies or two songs) after having consumed them. Thus, *ex ante* pricing is very difficult. This horizontal differentiation of creative products, as economists term it, is causing the '*infinite variety property*' (Caves, 2000: 6). Products are differentiated in a vast variety of unique appearances, but consumers, looking for similarities in order to compare prices, tend to overlook these differences. Thus, products that have low production costs will probably be compared and considered similar to very costly productions. The latter will then make lower profits or will remain unprofitable on the market, as consumers are not willing to pay a higher price to reach the profit margin targeted by the creative producer. The infinite variety problem is only limited by the '*first-copy costs*' (Caves, 2000: 364), which are the fixed costs a creative output will have to produce a first edition to be marketed.

Fifth, there is also vertical differentiation between creative goods. Caves illustrates this aspect using the example of a movie production in which the producer will achieve a higher profit if they produced the movie with an A-list actor. Even though a B-list actor would offer the same service to the producer, they would not be contracted because the differentially lower sales would not allow the producer to make the film profitable. So creative industries are characterised by an '*A list/B list property*', as Caves explains (2000: 7).

Sixth, there is the problem of temporal coordination of creative inputs from different creative agents. These consecutive inputs are necessary to achieve a creative output (e.g. in a movie production: the services of actors, cutters, special effect engineers, make-up artists). If a project is only in its initial stage and only some money has been spent, then a delay is no problem. Yet, at the moment when the production comes close to an end and production costs have been sunk, returns on investment should be realised as quickly as possible, as inflation devalues money with the passing of time. Thus, at the end of production it is very important that all inputs are available at the right time. This problem of coordinating inputs in a temporal sequence is called the '*time flies property*' (Caves, 2000: 8). The temporal sequence of production inputs also comes along with another problem: those creative producers

who provide their input at the initial stage of a project often lose control over the following production stages when other input producers have to provide their parts. As ‘time flies’ by, market information might change (e.g. information about an expected return), and consequently the project as a whole could be driven in a different direction. Thus, ‘*option contracts*’ are a common model to organise market transactions in creative industries (Caves, 2000: 8). In an option contract, the first input provider hands over the right of decision-making in the project to the second input provider. In return, this second input provider guarantees the first input provider that they will make a decision about how to proceed with the project within a pre-defined time frame, so that the first input provider could still hope for a profitable outcome and a speedy return on investment. Furthermore, the second input provider will negotiate with the first one to determine how much the first one will be rewarded for their input. The same transaction occurs between the second and third input provider, and so on.

Finally, there is the question of the durability of creative products. The main mechanism to realise profits is the copyright, and copyrights have a certain temporal duration according to the legal system. This fact is called the ‘*ars longa property*’ (Caves, 2000: 9). The major issue is how the copyright fees can be collected if they occur in form of numerous small units, with costs attributed for the maintenance of the copyright ownership. Another question concerns the share of this profit that is guaranteed to each input provider of a complex creative product. This amount is often only an estimate, and thus shares are difficult to calculate.

These seven basic properties affect the organizational structure of creative industries. Caves remarks (2000: 16): ‘*In the creative industries these diverse groups of market competitors turn out to reflect the basic properties of creative goods. For example, the inner and individualistic aspect of creative production mixes badly with the orderly, rule-driven routines of the large, bureaucratic firm. Creative industries tend to be organized so that the most delicate dealings with artists concentrate in small firms specialized to this task, while other firms (usually much larger ones) undertake to combine creative work with large teams of humdrum inputs.*’

These many small creative firms with high degrees of specialization then need gatekeepers who match them with potential clients. The gatekeepers have power because they can decide which individual small firm or artist to promote in a preferred manner. Many small producers in creative industries who have not yet established good relationships with powerful gatekeepers, or who have trusted in powerless gatekeepers, find themselves in a precarious situation. Caves writes (2000: 363): ‘*The many would-be creative workers who suffer rejection [from the right gatekeepers] either toil in dedicated poverty or settle for humdrum work, while those who experience creative success reap adulation and wealth in what tend to be winner-take-all contests.*’ In other words, entry barriers for individual creative workers are very high because large-scale distribution systems in creative industries are mainly organised in oligopolistic structures. A common solution to this problem is ‘*payola*’. In order to get good

access to the market, payola is the practice of paying for market entry in informal ways. Payola is a way of corrupting gatekeepers to ensure the promotion of newcomers' creative products (cf. Caves, 2000: 286–296).

Some properties of the creative industries are part of other economic sectors, too. For example, the way in which information flow is organised resembles that of academic work environments (Caves, 2000: 367): *'In complex creative industries, a great deal of information flows within and among firms – the A list/B list ranking process and the jostling over nascent projects that might or might not prove successful. [...] Academic researchers in the social and natural sciences conceive of the research process essentially the same way as do creative artists – as a way of identifying new problems of substantial importance and devising compelling solutions to them. Scholarly researchers assign high value to an open culture with unfettered exchange of information.'* It becomes obvious here that certain characteristics are similar to mere knowledge work (e.g. science or research and development), as understood before the rise of creative industries/creativity as scientific topic (cf. section 2.1).

With his book, Caves provided a sound effort to characterise creative industries. He developed in detail his seven properties to differentiate creative industries from other economic activities, and he also described internal differentiation within creative industries (which I have left out in favor of brevity). Regardless, he remained vague about which economic activity in detail should be included in or excluded from the creative industries. He did not specify individual sectors, but only named exemplary activities. On the other hand, he remained rather narrow in his definition and observations described in the book: he only focused on artistic production and understood creativity as a creation process in an artistic sense (cf. Bröckling, 2006, as in section 2.1.4).

The definition in Richard Florida's books (2002; 2005) is equally fuzzy, because for Florida the notion of *'creative class'* is central. He prefers to speak about the actors instead of the industrial sectors. According to him, creative industries are composed of *'people who are paid principally to do creative work for a living. These are scientists, engineers, artists, musicians, designers and knowledge-based professionals [...].'* (Florida, 2002: xiii). It is obvious that Florida included far more activities than Caves, talking about more professionals than only artists. However, Florida's notion of class has to be questioned as it varies significantly from that of the traditional sociologists such as Marx. For Florida, a class is determined by a group of people *'who have common interests and tend to think, feel and behave similarly, but these similarities are fundamentally determined by economic function'* (2002: 8). Thus, a class – according to Florida – is already a class when people do the same job and develop similar interests. In Marx' notion, a group of people form a class through collective identity and collective agency. This is certainly not true for creative professionals, as Florida, a self-proclaimed Marxist, notes himself (2002: xxix). What defines Florida's creative class is the job for which it is paid, namely to *'create'*, in a work environment highly valuing individuality, difference, autonomy, flexibility and merit. Distinguishing

from the creative class, Florida speaks of a 'working class' and a 'service class', whose members mainly 'execute' commanded work.

Within the creative class, he identified a 'core of creative workers', who create new ideas, technology and content. Surrounding this core, there are the 'creative professionals' who do jobs in which independent judgment and higher education are necessary inputs, and who have to apply the innovative knowledge created by the core of creative workers. According to Florida (2002), creative workers prefer self-expression, diversity and open-mindedness over homogeneity and conformity, with the latter two having been necessary in much of other manufacturing and low-end service work. Furthermore, challenging tasks, responsible positions and flexible schedules are important job-related aspects for creative professionals. Even though the term 'creative class' leaves much reason for criticism, it has also become famous across Europe (cf. Marlet & van Woerkens, 2007).

The European Commission followed the UK Department of Culture, Media and Sport (DCMS) in elucidating that creative industries '*have their origin in individual creativity, skill, and talent and [...] have a potential for wealth and job creation through the generation and exploitation of intellectual property*' (DCMS, 1998; cited in European Commission, 2010b: 191). It is interesting to see here that the notion of intellectual property is mentioned as a way to generate rewards and profit. This reflects the UK DCMS' understanding that creative industries, in order to be an industry, must be profit-oriented and part of the private sector. The European Commission also acknowledges the potential of creative work that takes place in other sectors (European Commission, 2010b: 198): '*Creative occupations*' is a broader concept than 'creative industries'. It embraces the professions that are 'creative' in essence, no matter whether they belong to the so-called 'creative industries'. [...] These 'knowledge workers' produce intangible assets such as ideas, knowledge, and information that increase firms' value added.' Here again the link to the knowledge economy shows up. The penetration of brain work into other economic sectors as well as the general importance of knowledge creation is emphasised.

In its Green Paper, *Unlocking the potential of cultural and creative industries*, the European Commission writes (2010b: 2), '*In this new digital economy, immaterial value increasingly determines material value, as consumers are looking for new and enriching 'experiences'. The ability to create social experiences and networking is now a factor of competitiveness. [...] the rapid roll-out of new technologies and increased globalization has meant a striking shift away from traditional manufacturing towards services and innovation. Factory floors are progressively being replaced by creative communities whose raw material is their ability to imagine, create and innovate*'.

There is a broad variety of other qualitative descriptions of the character of creative industries. I will not go further into detail here, because this section does not aim at a refined definition. Yet, I believe that this brief presentation of some ideas about creative industries helps to portray the specificity of this sector as compared to

other economic sectors. Let us keep in mind that creative industries predominantly engage in immaterial production: they solve problems through innovation, creation and imagination. Creative outputs can be emotions, experiences, concepts, values, or formal knowledge. They are composed of small and independent production units, which gather in flexible ways in highly unique and specialised teams around fixed-term projects. Therefore, networking is an important issue in order to bring together the necessary skills at the right moment, but also to ensure quality through powerful network-based reputation systems. Furthermore, the creative industries are an economic sector in which market risk is asymmetrically heavier a burden to the many small producers, while a few large corporations—Caves' gatekeepers—control distribution and access to sales markets. Finally, there are a few individual stars in creative industries who claim a large share of profits, whereas a large majority of creative knowledge workers have to divide the rest. I think we have to keep this in mind when reflecting the situation of creative knowledge workers later in the empirical analysis section (chapters 7 & 8).

2.2.2 Hard Definitions: The Quantitative Dimension of Creative Industries

In addition to these qualitative descriptions of creative industries, the literature also reports attempts to define this economic sector in quantitative terms. I will call these attempts 'hard definitions' as they rely on the use of statistical data. With hard definitions I mean the different selections of statistical codes extracted from the standardised economic statistics. Yet, I am not interested in discussing statistical hard definitions in detail in the course of this book. I have been involved in projects where this was an issue, but I do not think it is necessary within the framework of this book as the main research questions are not about quantification. Despite this, I will try to illustrate the size and quantity of the 'creative industries' phenomenon by referring to statistical figures that are mentioned in several studies. The most common databases are labour statistics, which use a nomenclature of occupations (e.g. ISCO – International Standard Classification of Occupations), as well as business statistics, which use a system of industrial codes (e.g. NACE – *Nomenclature statistique des activités économiques dans la Communauté Européenne*). The composition of creative industries according to classification codes varies greatly from author to author. Thus, it has to be mentioned that numbers are not directly comparable between individual studies and they have to be interpreted with caution.

Howkins (2001) provides a wider definition of creative industries that is orientated towards concrete industrial sub-sectors. According to his definition, the following sub-sectors have to be considered as parts of the creative economy: Research and development, publishing, software, TV and radio, design, music, film, toys and games, advertising, architecture, performing arts, crafts, video games, fashion, and art. In 1999, these sub-sectors had a global market size of US\$ 2,240 billion, out of

which the US creative industries held 43% (Howkins, 2001: 116; cited in Florida, 2002: 47). It becomes obvious that this definition is more inclusive than Caves' understanding of creative industries. Scientific activities and crafts are considered a part of creative work, too.

Richard Florida also prefers an inclusive way of defining his 'creative class', even though he declines to define these industries along traditional industrial classifications (Florida, 2002: 327–329). 'According to Florida, nearly all activities that have to do with 'brain work' are included. Florida distinguishes his '*Super-creative Core*' from other '*Creative Professionals*' (2002: 328). The former group is dominated by occupations in the scientific fields and in engineering, but it also includes the artists, designers and entertainers. The latter group contains occupations that deal with the provision of more complex services to other businesses and private clients. Florida tries to list specific occupational groups. According to him, scientists, IT specialists and engineers are also part of the creative class because they develop and create new knowledge and information. Furthermore, managers, lawyers, financial professionals, health care personnel and even salespeople should be included as well. These 'creative professionals' are applying existing knowledge in innovative ways, thereby improving applied knowledge through small innovations. Allowing for this openness in the definition, Florida calculates that 38.3 million workers in the US constituted the creative class in the early 2000s. They accounted for a 30% share in the total labour force. Florida is convinced that the phenomenon is a rather recent one; the creative class has grown in particular since 1980 (Florida, 2002: 74ff.). However, there is also widespread criticism concerning this openness in his definition, as there is evidence for multicollinearity between human capital (as measured by education levels) and the share of creative class in a place. This drives critics to the conclusion that such a wide definition, as that of Florida, which includes nearly all high-skilled professionals, does not produce any benefit for the explanation of regional economic growth (cf. Markusen, 2006; as cited in European Commission, 2010b: 214).

Whereas in the USA the discussion about a proper definition of creative industries focuses on the agents themselves—the creative knowledge workers or the creative class (cf. Florida, 2002)—European scholars tend to refer to economic sectors and use NACE and ISCO code combinations. The ESPON 2013 Programme Coordination Unit (2011) recently published a report on Europe's creative workforce. Here a set of 42 different ISCO-88 4D codes has been used to define the creative workforce (cf. Appendix). As in the definition of Howkins, crafts as well as scientific research and teaching are included in creative industries.

In its 2010 Competitiveness Report, the European Commission (2010b) uses a more limited approach, excluding scientific sectors. Here crafts are still considered part of the creative industries. The UK government follows this manner of narrowing the sector and uses a very selective definition. In this definition scientific activities as well as research and development are excluded. Non-profit activities are also not

counted as creative industries, as industrial activities should have a clear 'economic' character.

In its Green Paper the European Commission defines the 'cultural' industries (European Commission, 2010c) by listing eight sub-sectors: artistic and monumental heritage, archives, libraries, books and press, visual arts, architecture, performing arts, and audio and audiovisual media/multimedia. These sectors are also used by Eurostat for statistical analyses. Furthermore, a functional distinction is introduced in this definition; cultural industries could also be grouped according to their purpose. Here, the dimensions of preservation, creation, production, dissemination, trade/sales and education are mentioned (European Commission, 2010c: 5). In contrast to the European Commission's Competitiveness Report, the Green Paper applies a rather broad approach in defining cultural industries following the 2005 UNESCO Convention on the protection and promotion of the diversity of cultural expression. Here, the European Commission (2010c: 5f.) says, *"Cultural industries" are those industries producing and distributing goods or services which at the time they are developed are considered to have a specific attribute, use or purpose which embodies or conveys cultural expressions, irrespective of the commercial value they may have. Besides the traditional arts sectors (performing arts, visual arts, cultural heritage – including the public sector), they include film, DVD and video, television and radio, video games, new media, music, books and press.* In addition to these cultural industries, there are 'creative industries' which *'use culture as an input and have a cultural dimension, although their outputs are mainly functional. They include architecture and design, which integrate creative elements into wider processes, as well as sub-sectors such as graphic design, fashion design or advertising'* (cf. European Commission, 2010c: 6).

In the logic of the Competitiveness Report 2010 (European Commission, 2010b), creative industries are divided into three sub-sectors: information services (publishing, new media, software), business services (architecture, engineering, advertising, design, photography, translation and interpretation), and arts and entertainment. According to the European Commission, the dominant sub-sector, which is the motor of creative industries, is information services. These information services accounted for 62% of creative industries employment in the EU-26 (Malta excluded) in the year 2008. Business services made up 29% of creative industries' employment, and the third sector, arts and entertainment, only makes up roughly 10%. As such, there is a strong internal differentiation with respect to the importance of sub-sectors within the creative industries.

According to the Competitiveness Report 2010 (European Commission, 2010b: 191ff.), approximately 6.7 million people worked in the creative industries in the European Union (EU-27) in 2008. Thus, 3.0% of the total employment is creative knowledge work (compared to 4.0% in the USA). The higher share in the USA can be explained by the large audiovisual and computer software sector, which exceeds the European one. In terms of external exports from the EU-27, creative industries account

for 4.3%, and make up about 3.3% of the total GDP. In the period from 2000–2007, employment increased annually by 3.5%, while total employment in the EU-27 grew by only 1.0%. In the US and China growth rates were smaller, with 1.8% and 1.9% respectively. The European Commission also highlights that there is internal difference concerning the growth rates, with software consulting and supply, audiovisuals, and architecture recently growing faster than other sub-sectors of the creative industries. Computer programming and consulting also make up 37% of EU-27 total employment in creative industries, followed by architecture (15%). Employment figures here are based on people employed by creative companies (selected according to industrial codes).

However, there are also creative workers in other industrial sectors. These could be identified by using labour statistics and the occupational classification system, in which workers are not registered as belonging to a company but to an occupational group. The European Commission reports that roughly 62% of creative occupation takes place outside the creative industries (2010b: 198). Calculating occupational instead of employment shares, they state that in 2008, in a selection of 15 EU countries for which Labour Force Survey data was available, 7.7% of people were occupied with creative knowledge work. The most important professional groups concerning occupation are architects and engineers. Between 2002 and 2008, there was a growth in total creative occupation by 3.1%, with the highest growth for artistic and entertainment professionals as well as social scientists and related professionals.

The recent economic and financial crisis, which began in 2008, has also affected the creative industries. In particular, sub-sectors with a strong share of business-to-business (B2B) activities experienced a downturn: advertising's turnover decreased by 12.4% from 2008 to 2009 in the EU-27. Publishing turnover also decreased by 6.8% as advertising budgets were cut during the crisis. In terms of both employment and turnover, the creative industries in the EU-27 experienced their first decline in the past 10 years, with a decrease of 3.3% in employment and 9.9% in turnover (European Commission, 2010b: 200f.).

National and regional governments have discovered the issue of creative industries, and recently economic as well as cultural affairs' departments and ministries have been rushing to 'count' the extent of creative industries in their own jurisdictions. Here, we can observe that 'creativity' is inherent to this process itself: governments use rather individualistic and poorly comparable definitions. For example, a national definition was agreed upon in Germany. This definition includes all economic activities in the fields of music production and interpretation, book authorship and publishing, fine arts production and trade, television and radio broadcasting, performing arts, design activities, architecture, journalism, advertising, the software and games industry, and finally the catch-all sector of 'miscellaneous cultural activities' (e.g. circus artists, museums, libraries) (Söndermann et al., 2009). Despite this national consensus, regional governments' definitions still vary widely from the national one. Some regional governments prefer wider definitions, e.g. the government

of Saxony also includes craftsmen and producers of musical instruments (SMWA/SMWK, 2009).

To sum up, the presented definitions and figures highlight two primary aspects: first, just as with the ‘soft’ qualitative definitions, there is a large variety between individual ‘hard’ definitions using statistical classifications. Again we find broader and more inclusive definitions along with more exclusive approaches. Thus, it is rather difficult to precisely distinguish creative industries from other sectors that are closely related to the creative industries. I will leave this as an observation and I am not tempted to develop my own solution to that problem here. Second, there is an even more important point in the literature: independent of the definitional issues, several authors have come to the conclusion that creative industries represent a very dynamic segment of the labour market. Even though the sector is still a rather small one, there is some empirical evidence in most figures that creative industries are becoming more important in relation to other economic segments. Above average employment growth has come along with a comparably smooth performance during the financial crisis, and both of these facts make creative industries an interesting field of research for the coming years. With arguments I would definitely support, some critics point to the neoliberal and oppressive character of these sectors. Others even try to diminish the ‘creative industries’ phenomenon to a mere product of discursive construction by certain interest groups⁶. So, I would say that we still do not know enough about the creative industries and we cannot renounce making it a topic. We still do not know if these sectors will turn out to become a stable, long-term growth machine for post-industrial economies or not. And even if we were already sure about their long-term stability, we would need to study in more detail what their presence means not only in economic but also in social terms.

2.2.3 Public Sector Activities

There is an ongoing debate about the role of public activities in the creative industries’ markets. A share of creative institutions, e.g. opera houses, orchestras, theatres, etc. are to a large degree financed with public money. The same holds for museums. The question is then, do these activities reflect market participation, or is it part of the state’s public activities? There are different opinions about this issue.

For example, both the UK government and the UNESCO use definitions in which a distinction between economic and cultural activities has been introduced. I mentioned above that the European Commission (2010b) pointed to the UNESCO position

⁶ This argument is used by representatives of traditional industrial sectors who do not believe in an independent existence of a creative sector in the economy. Their idea is that creative activities have always existed as a part of other industrial sectors.

when saying that cultural goods and services are those that are provided ‘*irrespective of the commercial value they may have*’ (UNESCO; cited in European Commission, 2010b: 193). In the UK, the DCMS changed the notion of ‘cultural industries’, which was used earlier by the UK’s Labour Party, into the term ‘creative industries’. The DCMS underlined that cultural services would exclude a broad range of knowledge services that were formerly termed ‘new economy’, and which made up a large share in economic power of the creative industries. Based on ideas by Meusbürger et al. (2008), the European Commission writes (2010b: 193): ‘*While creative industries link creative content to job and wealth creation, cultural industries are not first and foremost defined by their business value.*’ The UK DCMS even goes further and finally excluded non-profit activities completely from its definition (European Commission, 2010b: 194).

Another approach consists of the ‘three sector model’ which evolved in Switzerland in the context of the first national creative industries reports. Here, the distinction is made between merely public and private sectors. Additionally, a third sector is introduced which includes activities at the intersection between both other sectors. For Swiss policymakers and scholars of creative industries, the creative industries are mainly the private sector, which is profit-oriented. The other two sectors, public and intermediary activities, mainly operate in non-profit fields. They are strongly linked to the private one, as, for example, individual actors often work in all the three sectors. Thus, from the perspective of the creative professionals these three sectors work as a compound system. Yet, for analytical ambitions the sectors should be divided, and only the economically-oriented sector should be examined in detail (Weckerle et al., 2008: 28).

2.2.4 Insertion of Creative Industries into the Wider Market

After having described the content with which the creative industries deal, and the extent to which they are in place today, I would like to mention some points which are relevant in understanding how the creative industries relate to other sectors. We have already heard a bit on internal structures in creative industries in the ‘7 properties’ by Caves (section 2.2.1). However, there are some interesting additional observations concerning the insertion of creative industries into the wider market.

Intersectoral business relations

Creative work is not only limited to creative industries. Florida (2002) remarked that there is an ongoing penetration of creative work into other industrial sectors. What he calls the ‘rise of the creative class’ or the emergence of an ‘Age of Creativity’ is also visible in the change of tasks and qualification levels in the economy as a whole. Equally, the European Commission mentions that ‘*creative workers can also be found in other skill-intensive manufacturing or business services activities*’ (2010b: 191).