

Reclaiming Culture and Creativity from Industry and the UK 'Creative Economy': Towards New Configurations of the Artistic System

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This paper was first written for and presented at the European Congress on Aesthetics, 'Societies in Crisis' panel at the National Anthropology Museum in Madrid, November 2010.

The Cultural and Creative Industries

In the last 20th century, we can see the artistic system evolve into something that now is known as the 'cultural and creative industries'. We remark this shift in our long-term project called "Creative Space", which aims to understand the problematics of the current model of culture and creative industry, and investigate alternative models, practices and theoretical presuppositions.

In the last century, as prophesied by Theodor Adorno and Max Horkheimer, the rise of culture industry has become a dominant mode of capitalistic production¹. Yet what Adorno and Horkheimer criticized as the commodification of art, appears to be obsolete. On one hand, art doesn't present itself as mere commodity, instead we see two directions in the convergence between art, design and technology. Firstly, art is extending into the realm of design, technology and everyday objects, and we can say that art

¹ Theodor Adorno and Max Horkheimer, *Dialectic of Enlightenment*, Verso, 1997

becoming something that 'adds-value' to a commodity, which Diedrich Diederichsen calls 'mehrwert'². If we go a bit further, we can follow Peter Sloterdijk where there is the reconnection between functionalism and perception, art as the *mehrwert* brings functional objects back to aesthetic experience³. Secondly, design and technology are becoming art. Especially when we consider the current production on the internet, as Boris Groys points out, are repeating the post-Duchampian economy - an art practice which connect the artists to commodity and industrial objects. Culture industry becomes creative industry⁴.

Speculative Capitalism

On the other hand, we can see the continued growth in the traditional art market, where art is becoming more and more speculative. By speculative, we are referring to the current speculative capitalist economy that is characterized by its gambling-like psychic experience and market manipulation. After the financial crisis, buying a painting by Picasso is probably a better way to invest than in stocks and estates. But the speculation we are referring to is not limited to artworks as mere commodity, but is only possible within the artistic system, which includes the fame and reputation of the artist, the artists' connection to the galleries, dealers and auction houses, and critics that influence trends in taste and lifestyle in mass culture, etc. For example, the speculative nature of the works by Damien Hirst is no doubt in debt to all these factors. When the investment banks were in their heyday, as Melanie Gilligan noted, the hedge fund managers became a growing force of

2 Diedrich Diederichsen, *On (Surplus) Value in Art*, Witte de With, 2008, the German word "Mehrwert" literally means more value, it was also translated as "add-value"

3 Peter Sloterdijk, *Terror from the air*

4 Boris Groys, 'Marx After Duchamp, of The Artist's Two Bodies', e-flux, 2010, [online] <<http://www.e-flux.com/journal/view/178>>

the art buyer⁵. Yet the intimacy between art and speculative capitalism doesn't end here, indeed it is not difficult for us to find the similarity between hedge funds and the art industry. As it is commonly known that hedge funds plays a game known as "short selling". For example, the hedge fund company will use its assets to exchange for currency A, it will declare that currency A is depreciating (often they do this in coalition with the media). At the same time, they will use currency A to trade currency B, and the government of currency A will have to depreciate its currency, then the hedge fund will use currency B to trade currency A, and earn a large difference⁶. The speculative game of hedge funds suggests that investment is never like before, i.e. to expect that time will decide the value of the invested asset, but one must manipulate a network around the invested asset to raise its value. Investment in art is not limited to buying artwork, but also opening galleries and funding artists, in order to create "short selling" of another kind.

Crisis of Creativity

Through these two aspects: firstly the immanence of art in the capitalistic production, and secondly, the speculative nature of art as an investment portfolio, we want to situate the artistic system within global capitalism. And hence we want to suggest that the financial crisis also exposes the limit of the current artistic system.

We want to propose here the relation between the crisis of the artistic system and its relation to the global financial crisis through our observation of current culture industry, especially through some of the figures and examples in the

5 <http://www.textezurkunst.de/66/hedge-fund/>

6 Paul Krugman, the return of the depressive economy

United Kingdom. We want to characterize the current crisis in the artistic system as the *crisis of creativity*. This crisis to us relies on a specific way of understanding creativity, which renders it instrumental. Based on this understanding, we also witness the emergence of different ways in the organization of creativity that appear problematic to us. We propose to understand this crisis in three perspectives as the: *the limitation of creativity*, *the proletarianization of artists*, and *the organization of amateur production*. We want to raise some of these questions, as the beginning of the re-imagination of a new system.

The UK 'Creative Economy'

Firstly, after UK's effort to bring forth the discourse of culture industry through its Creative Industries Task Force in 1998, culture is not only the driving force of economy, but also itself becomes the object of economy. This process of putting culture as an object for economy in the past 10 years, as now no one can deny, is gaining its central position in the global economy. The cultural economy is no doubt the most vibrant industry in parallel with the financial industry. But they are nevertheless not in parallel, they do meet. The financial crisis exposes the narrow definition of creativity and their peculiar intimacy. From the very beginning, the UK culture industry understands creativity as central to "individual lives", "society" and "economic future"⁷. Yet in this great vision of creativity, which has its affinity to life rather than wealth⁸, is nevertheless a fairytale. The truth is creativity, which is intrinsic to life, is detached from its soil, and has become the object of economy. If we follow

7 Smith, *Creative Britain*, 148

8 Smith, *Creative Britain*, 141, at the beginning of the chapter "No Wealth But Life: the Importance of Creativity", Smith quoted from John Ruskin's *Unto This Last*, "There is no wealth but life. Life, including all its powers of love, of joy and of admiration. That country is the richest which nourishes the greatest number of noble and happy human beings..."

the definition given by the UN report on creative economy, we quote:

“Creativity in this context refers to the formulation of new ideas and to the application of these ideas to produce original works of art and cultural products, functional creations, scientific inventions and technological innovations”⁹. Creativity here, is understood as new ideas and externalized ends. The question is where are these new ideas from and where are they going?

To locate creativity, we have to briefly look at the structure of the UK creative economy. It has been formulated in the UK as three operating areas that are not clearly discussed or defined, including the non-profit sector, which are the publicly funded organisations supported by Arts Council and grant-giving foundations, the creative industries i.e. design, music, fashion, film, theatre and media companies etc., which are commercially driven and highly entrepreneurial and lastly, the art market, i.e. Frieze Art Fair, which is driven by private investment and financial speculation. These three areas are often confused and blurred in a mixed model economy. As we are primarily interested in the non-profit arts sector, where we can see the possibility of creativity to thrive, we can also see how publicly funded organisations are expected to make two thirds of their income from other commercial or private sponsorship¹⁰. This expectation is rarely met, where the 880 regularly funded organisations (RFO's) from institutions like the ICA (Institute of Contemporary Art) or Southbank Centre are pushed to be more entrepreneurial or to seek support from philanthropic investors. Artistic production becomes tied to a neo-liberal economy, where the work of organisations and institutions begin to

⁹ United Nation, Creative Economy Report, 2008

¹⁰ Mentioned by William Wong in “Re-Imagining Culture” a discussion event produced by DOXA in May 2010 at A Foundation in London.

operate more as gift shops, cafés or lifestyle venues. There remains large parts of the cultural economy that do not to generate value via art stars, block busters, and billboard hits. There is a mass of smaller organisations, independent initiatives that struggle for survival as they are forced to be extremely competitive for funding and recognition.

We propose that this understanding, as it is realized in government policy and their reaction to the financial crisis exposes the limitation of this understanding.

Despite such prospects placed on the 'creative economy' upon the global financial crisis, the first of government cutbacks in the UK begin with arts and culture with an amount of £19m to the Arts Council¹¹, which amounts to about 25% for individual Regularly Funded Organisations (RFOs)¹². This is followed by recent announcements of the abolishment of the UK Film Council by 2012, as well as the Museums, Libraries and Archives Council¹³. As it is understood in the UK, the artistic system in the non-profit sector becomes something highly administrative and bureaucratic. Funds go to large amounts of administration where artists' creativity are restrained to practices of 'box-ticking' in order to fulfil requirements to receive grant funding. The actors (artists and arts administrators) within the artistic system become complacent, while funds largely go to bureaucratic processes rather than filtering down to the artists who get little remuneration for their work. Institutions are expected to fundraise for additional support tying the welfare of institutions to

¹¹ <http://press.artscouncil.org.uk/Press-Releases/Arts-Council-England-implements-19-million-cuts-to-2010-11-budget-412.aspx>

¹² <http://www.guardian.co.uk/news/datablog/2010/jun/18/arts-council-cuts-list-spreadsheet?plckFindCommentKey=CommentKey:39930f38-7c81-45a8-b14c-6ae030e69eb4#data>

¹³ <http://www.guardian.co.uk/film/2010/jul/26/uk-film-council> and some additional reading on cuts: <http://www.guardian.co.uk/stage/theatreblog/2010/jul/27/arts-funding-cuts-government>

unsustainable marketing and mixed economy models, which resulted in the largely discussed near bankruptcy of the ICA¹⁴ in London and a critique of the loss of their social role as a space for criticality.

Invention vs. Innovation

The cut and suspension of the non-productive system, implies that artistic practice must conform to its mode of production. That is to say, creativity is limited and shaped in the sense, that it has to be productive. This nevertheless, creates a short-circuiting of creativity - it sees creativity as simply something externalized which doesn't presuppose lives. It never understands creativity as a long-term process of investment in a libidinal sense. It doesn't see that creativity demands a community, a milieu by which it can flourish. In certain sense, it sees creativity as technological innovation, which is driven by the economy and reconstitute the force of the market.

Indeed we want to propose the difference between invention and innovation. Innovation is largely economically driven, especially as one can see from the ICT (information and communication technology) industry, the opening up of innovation through social networks dominates our economy, and every part of life. Invention on the other hand, implies something following less the economic logic, but more contingent in the sense that it is at the same time a consequence of technological tendency (which provides the condition), as well as a creative process originated from curiosity and personal pursuit¹⁵.

14 JJ Charlesworth, 'Crisis at the ICA: Ekow Eshun's Experiment in Deinstitutionalisation', Metamute, 2010, [online]
<http://www.metamute.org/en/content/crisis_at_the_ica_ekow_eshun_s_experiment_in_deinstitutionalisation>

15 for an elaborated differentiation between invention and innovation please refer to Bernard Stiegler, *technics and Time* vol.1 (Stanford: Stanford University Press, 1998)

The short-circuiting of creativity as mere innovation, externalize it from lives and posit it in the realm of economy. This short-circuiting lies in both the institutionalization (by defining its domain and specifications) as well as the control of institutions (by modifying the infrastructure and environment in which the artistic system already adapts). The innovative view of reactivity cannot produce a positive institutional environment, which allows artists to develop creativity and critical apparatus, because it is determined by economic reason. The funding cuts also show that this understanding within the creative industry is itself fragile, and lacks substantiality. This we would like to connect to its speculative nature.

Creative Proletariats

Secondly, art is becoming speculative, not only that investors are investing money on artworks, but also the investment on artists, galleries, and museums, etc. The speculative nature doesn't appear in the increase in investment on arts, but rather the proletarianization of artists, in other words, the devaluation of artists. The term 'free labor' is another word for the internship, which has become a common and legitimized practice in the creative industries. On one hand, it simply means creativity is correlated to age and working experience. On the other hand, it sees creativity as something free, while you can speculate. It is like going to the flea market and finding some junk, and betting its price will grow in the future. We want to see this as a process of proletarianization. Proletarianization, as we follow its interpretation by Bernard Stielger and Étienne Balibar¹⁶, is not only becoming poor, but also a transductive process in which one loses his/her ability to

16 The Philosophy of Marx

sustain his/her value, or it becomes a process of deskilling.

Paradoxically, while a career as an artist is becoming more and more precarious. New art colleges and art courses continue to grow as more people enter the workforce, deskilled and with few job prospects, save the ones they are expected to create. Creatives are pushed to be more entrepreneurial along with museums and institutions. Aspiring artists, designers and creatives are lured by the glamour and delusion of fame, fortune and lifestyle, which in reality are only available to those who are well-connected, lucky or from indicatively wealthy backgrounds.

The UK Creative Economy celebrates new young talent where it seduces new workers to participate in a meritocratic system that reflects success as image and popularity that often reflects how well one markets themselves over the work in itself. Such a system brews competition, a desire for individuality and recognition amongst creatives, which creates a stifling environment for any form of a collective creativity to emerge.

This personal as well as institutional investment of artists, through accumulation of both social and cultural capitals are now understood as a necessary process of branding. Branding is an intervention of the market, and create a great difference between its cost of production and its selling price. The highly appraised YBA (Young British Artists) demonstrates this branding process, with its connection to the media, investors, and sponsors¹⁷.

Overall, creatives are left to skip from project to project, enter a system of endless internships or low-paid freelance work. In order to regain his/her

¹⁷ Scott Lash and Celia Lury, *Global Cultural Industry: the mediation of things*

value, the artists have to start from being a free labourer, and accumulate his/her social capital in order to gain investment on him/her in the future. In order to do that, it is obvious that criticality of artistic practice and creativity loses its potency as it is appropriated by neoliberal government policy and capitalism for the branding of cities where it is reduced to tourism and entertainment. Business grows, while the expanding 'creative class' remains largely impoverished with unequal distribution of wealth. The system enforces a loss of skill, not a skill of making, but a skill of not being able to make, to sustain his/her own value.

In the UK, the number of creative graduates far supersede the amount of jobs and opportunities. Is it because of the foreseeable demand of expertises, or a planned strategy to produce more proletariats? It must be noted that under the shadow of city branding, culture is subsumed to a fabricated schema where it has produced class of highly-educated creative poor. The number of artists, number of galleries and museums are part of this apparatus, but its quality, the mission of art as a critique of instrumental reason, disappears into the background. Yet they become purely speculative, part of a portfolio, to entertain a populous, attract tourists, and invite estate investment.

Exploitation of Amateur Production

Thirdly, creative production today is shifting in the digital turn with the internet through what we can call web 2.0, social networking, user-generated content, where amateur culture is becoming a generator of creativity. Following Boris Groys, creative production is a repetition of artistic practice after Duchamp's ready-made. Art production prior to conceptual art, is very much body-based.

We can interpret it in the sense that creativity originated from the life of the artist himself, and has been extended to the canvas through the artists' gesture and painting. The post-Duchampian art practice short-circuits this bodily connection between creativity and the work of art through the mediation of ready-made industrial objects. Groys' critique lies not in the fact that some of this UGC (user-generated content) are much better than many works by artists, nor that the artists are using these material as part of their work, but rather there is a specific mode of organization of creativity which alienates creativity from the artists.

The importance of this proliferation of creativity doesn't destroy the present artistic system, but rather it is absorbed in the artistic system. They are incorporated as part of the works of artists, museums, galleries, and bring forth what shouldn't be called *interactivity*, but rather *inter-creativity*. So it is not surprising to see the growing of the technological department in these insinuations: the new media department of the Royal Opera House, the Tate Media of Tate, and ICA is also working towards a new media department¹⁸. These inter-creative processes have been widely employed by the manufacturing industry. For instance, as customers become 'prosumers' or active consumers involved in 'co-creation', they contribute their collective creativity to the design products of t-shirts for Threadless.com or Nike's custom Air Force 1 sneakers¹⁹ that are marketed and sold on behalf of the free labor of the fans.

This user-generated content is a huge reservoir of creativity for the economy. It is also an indispensable element, which the artistic system has to

18 Rebecca Newland-Pratt, Art, Brands, and User generated content: an exploration, Art and Business, UK

19 <http://www.bbc.co.uk/news/business-11437839>

appropriate in order to connect to the broader economy. We are not going to comment on the legal aspects concerning the commons and intellectual property. What concerns us more is the negative use of this reservoir of creativity. This reservoir for us, is the organization of creativity. It is a step further in the process of proletarianization, but not of the deskilling of the artists this time, but of the know-how of the amateur. Creativity is subsumed into algorithmic control following the will of the institutes.

New Configurations of the Artistic System

All these three aspects we demonstrated above want to demonstrate the crisis of creativity within the current artistic system as: *the limited understanding of creativity, the proletarianization of artists, and the organization of amateur production*. This crisis for us, begins at the externalization of creativity as the object of economy, then its merge with the neoliberal and speculative spirit of capitalistic production, and finally the incorporation of an external milieu (the internet-based production) into the artistic system to reinforce the instrumental nature of “creativity”.

We propose here a reconfiguration of the artistic system, and in order to do that, we must go back to the original question of creativity and alienation. Art, the least alienated field in history today, is transforming into a system that is no different from a factory. In our project “creative space”, we are developing and researching concrete case studies specific to geographical areas and economical configurations. Nevertheless, we want to propose three general directions here. Firstly, we demand a new configuration, which does not favour the endless externalization of creativity as new objects and ideas, but one that favours the creation of a new economy that takes *life* as its first

consideration. Secondly, we demand a new form of artistic practice that is not within the critique of the art itself, as we have seen in the post-Duchampian arts, but also its outer milieu - the artistic system as a whole. Arts cannot subsume to the normal understanding of production, arts have to be politically engaged in the industry. How can we resist the creative industry become merely a factory of creativity, but rather a community which restores the alienation and externalization of creativity back to lives?

Thirdly, we demand a positive algorithm juxtaposing the current industrial model. We need to build a community that sustains amateur production and artistic production, and that doesn't belong to the entrepreneur, or computer scientists, or geek. Can we define a system based on values found in practices of artist-lead initiatives, social and pedagogical turns in contemporary art, open source and collaborative models of work? How can we begin to re-think a system for culture in an increasingly digital and globalised economy? We also open these questions up to you.