

LIS

LONDON
INDUSTRIAL
STRATEGY

**The cultural
industries**

Introduction

In March 1981 a new Labour administration was elected to the Greater London Council. It fought the election on the basis of a long and detailed manifesto, of which nearly half was devoted to industry and employment.

The manifesto promised investment in new municipal enterprises, producer co-operatives, old and new firms. For this purpose it proposed an independent organisation, the Greater London Enterprise Board (GLEB). It also undertook to produce a London Industrial Strategy and a London Labour Plan, to be drawn up by an Economic Policy Group within the GLC. The EPG has since grown from its original five members to a Directorate with responsibility for both planning and implementation, including the setting up of GLEB.

It soon became clear that what was needed, and feasible, was not so much a single plan, to be delivered from above, but a series of strategies, closely connected to struggles on the ground. The fight for jobs has involved both direct investments by GLEB and support for numerous activities and campaigns against the pressures of the market. It has involved working with and supporting different groups in different cases: workforces, unions, at times managers, perhaps a local borough, community, or resource centre, even trade unionists from abroad involved with different branches of multinationals such as Ford and Kodak.

We have now drawn these different strategies together in one volume, known as the **London Industrial Strategy**. The paper published here is one of the 23 sector studies in this volume, which themselves draw on more detailed studies and experience. They are published as the basis for a wider discussion and the beginning of a rolling programme of strategy work.

We would welcome comments and submissions on this document by 30 September 1985. We will then combine these with further work to produce a second Industrial Strategy early in 1986. Groups who would like to talk over particular ideas, points or omissions should write to the Industry and Employment Branch, Room 6b, Greater London Council, County Hall, London SE1 7PB.

Other volumes in this series, to be published later this year, are the London Labour Plan, the London Economic Strategy and the London Financial Strategy.

The 1981 Labour Party manifesto argued: 'Only a large scale investment programme aimed at key sectors of London's industry will rescue the capital's

manufacturing economy from almost total annihilation. The public sector will have to take an active role in such a strategy.'

From the First World War onwards London became one of the main manufacturing centres in Britain. In 1951 there were more than one and a half million people working in London's factories. By 1984 this figure had fallen to half a million and by the end of the 1980s it is likely to be down to 450,000. The decline has been much steeper in London than in the rest of Britain. Moreover in London there was little compensating growth of services; except in banking, professional and miscellaneous services, every major sector of London's economy lost jobs.

The result has been the largest concentration of unemployed people in the advanced industrial world. In March 1985 there were over 400,000 people officially registered as unemployed in London, and a further estimated 120,000 people wanting work. The GLC's forecasts are that unemployment in London will rise to over 600,000 if cuts in public spending and the spread of privatisation and automation continue unabated.

London's unemployment is moreover concentrated in particular areas, especially inner and east London. In Tower Hamlets registered unemployment is 23%, in Newham 21%, in Poplar male unemployment is nearly 30%. There are similar unemployment rates south of the river in Greenwich, Deptford, Peckham, Bermondsey, Lambeth and parts of Wandsworth, as well as to the north along the old river and canal industrial belts in Islington, Hackney and up the Lea Valley. In the 1980s the destruction spread to the engineering industries in west London; literally, in some cases, as factories were physically demolished. Even Heathrow, supposedly the centre of new growth, lost 13,500 jobs between 1979 and 1983 and more losses are expected, partly as a result of privatisation plans. Unemployment is now up to 15% in several boroughs of west London.

Of the jobs that are left, there is growing evidence that conditions have become worse over the last five years. Shift work has risen. Casual work has increased in local authorities, in the health service and in many ancillary services that have been privatised or contracted out. Part-time work is spreading, partly as a means of cutting wages and security. There also appears to be an increase in sweating, with more work put out to homeworkers and worsening pay and conditions in hotels, cleaning, food processing and branches of the retail trade. Those who suffer particularly from these trends are people who are discriminated against in the jobs market and who are often forced to take work on any conditions: women, black people, disabled people, and migrant workers.

The GLC's strategy is an alternative to the two traditional economic strategies: monetarism and Keynesianism. We believe that these are, respectively, destructive and inadequate.

Monetarists argue that Londoners should price themselves back into work. Despite its protestations, the government has been highly interventionist as far as its cheap labour policy is concerned. The policy of forcing some firms

out of business and others to shed labour and cut wages is an explicit one, with benefits to employers in the shape of the discipline that unemployment imposes on those still at work. According to the OECD, although the government's policies did not cause the recession of the early 1980s, it doubled its severity. In the public sector, the government has attempted, less successfully, to reproduce the employment cuts achieved in the private sector through privatisation, together with legal restraints on the unions.

Perversely from its position of weakness, the government also espouses the theories of free trade: let the US supply, for example, computer software and cable TV programmes; London can have tourists, served by sweated labour. The reality, under monetarism, is that new industries have not arisen to replace those destroyed. British management has on the whole attempted to compete through a low wage, low skill strategy. It has been slow to introduce the new manufacturing methods adopted, partly as a result of public intervention, in countries like Japan, West Germany, Italy, and even the United States.

The Keynesian alternative is not so much wrong as inadequate. Keynesians argue that, once the correct level of demand is established, production will look after itself. The organisation of production, what is produced, under what working conditions, with what technology — all this is left to the capitalist. Before the 1979 election, unemployment was already rising rapidly. Keynesianism had, and has, no solution to the problems of recession and the need for industrial restructuring. If Keynes rather than Friedman had won the election, unemployment would have continued to rise, though perhaps at half the rate. While a measure of reflation, of public works and protection may all be necessary, we believe that they can only make long-term sense if they are part of a wider strategy centered on production.

The GLC's strategies are founded on the principle of socially useful production. Production should be for social need. It should also provide work for all those who wish it in skilled and/or satisfying jobs. It is a grim truth that the majority of Londoners now spend their working lives in jobs which dispense with human skills, while others are unemployed. There are families in need of food, elderly people in need of heat and care, and a desperate shortage of good housing. We calculate that London's infrastructure requires £12,000 million of investment to keep it in even modest repair.

The GLC's powers to intervene are different in each of the three main sectors of London's economy: the domestic sector, the public sector and the private economy.

First, the domestic economy. Traditional economics takes little account of the work that is done in and around the household. Yet, while Londoners spend approximately 100 million hours a week in paid work, we estimate that they spend 180 million hours in domestic work. The boundaries between paid and unpaid work are not immutable; currently the government is attempting to transfer tasks back into the home that were previously collectively provided, as a matter of conscious policy; public provisions for the elderly, the disabled,

the convalescent and the young are all under attack. Since these tasks are overwhelmingly performed by women, their ability to do properly paid full-time work is further undermined.

One of the major concerns of the GLC has been to reverse this tide. Wherever it has influence, it has attempted to ensure that proper provision is made for the young, the old and the disabled, and that women's rights as workers are systematically promoted. It has also supported many women's campaigns and organisations, in particular for the extension of public provision and for women's access to jobs.

The public sector, including central and local governments accounts for about a quarter of all employment nationally and in London for nearly a third. The public economy grew mainly because of the inadequacy of the private sector in meeting needs, economic as well as social. It is currently threatened with cuts and privatisation in part precisely because it challenges the market's definition of socially useful production. In addition, during the recession, it offers new sources of profits for private capital: in catering, cleaning, telecommunications, health, for example.

Some of the effects of privatisation could quite easily be reversed. Others, such as the major changes taking place in energy, telecommunications, broadcasting and transport, are likely to have more serious long term social and economic consequences. The chapters of the **London Industrial Strategy** analyse these problems. They also point to problems of existing public sector industries and institutions; their excessive centralisation, their lack of accountability to their users and workers. They make proposals for changes in all these matters. Although some parts of the public sector are directly under the GLC's control, most of these changes can occur only as a result of action and campaigns to change national policies.

The GLC supports the extension of public ownership not just as an end in itself, but as a means of extending the principle of socially useful production and the involvement of the workforce in planning that process. In addition, we believe that the public system could, at little net cost to taxpayers, provide useful employment to all those who need work. Much of what people consume is provided by the state, including housing, education and many labour-intensive services; this provision could be extended, so that the public economy became more self-sufficient. An alternative economic strategy for London should start from the principle of providing a job for all, to meet the needs which so clearly exist.

Some two-thirds of the existing jobs in London are in the private sector. GLEB was set up to intervene in this private economy. Clearly it has no role to play in the major public institutions. Given the limited nature of its funds as a locally-financed institution, it is also clear that it cannot expect to have any direct effect on the major private companies and multinationals such as Ford, Kodak, GEC, even Sainsbury and WH Smith. In these cases, the GLC can still intervene through supporting their unions and it can advocate policies at a national level.

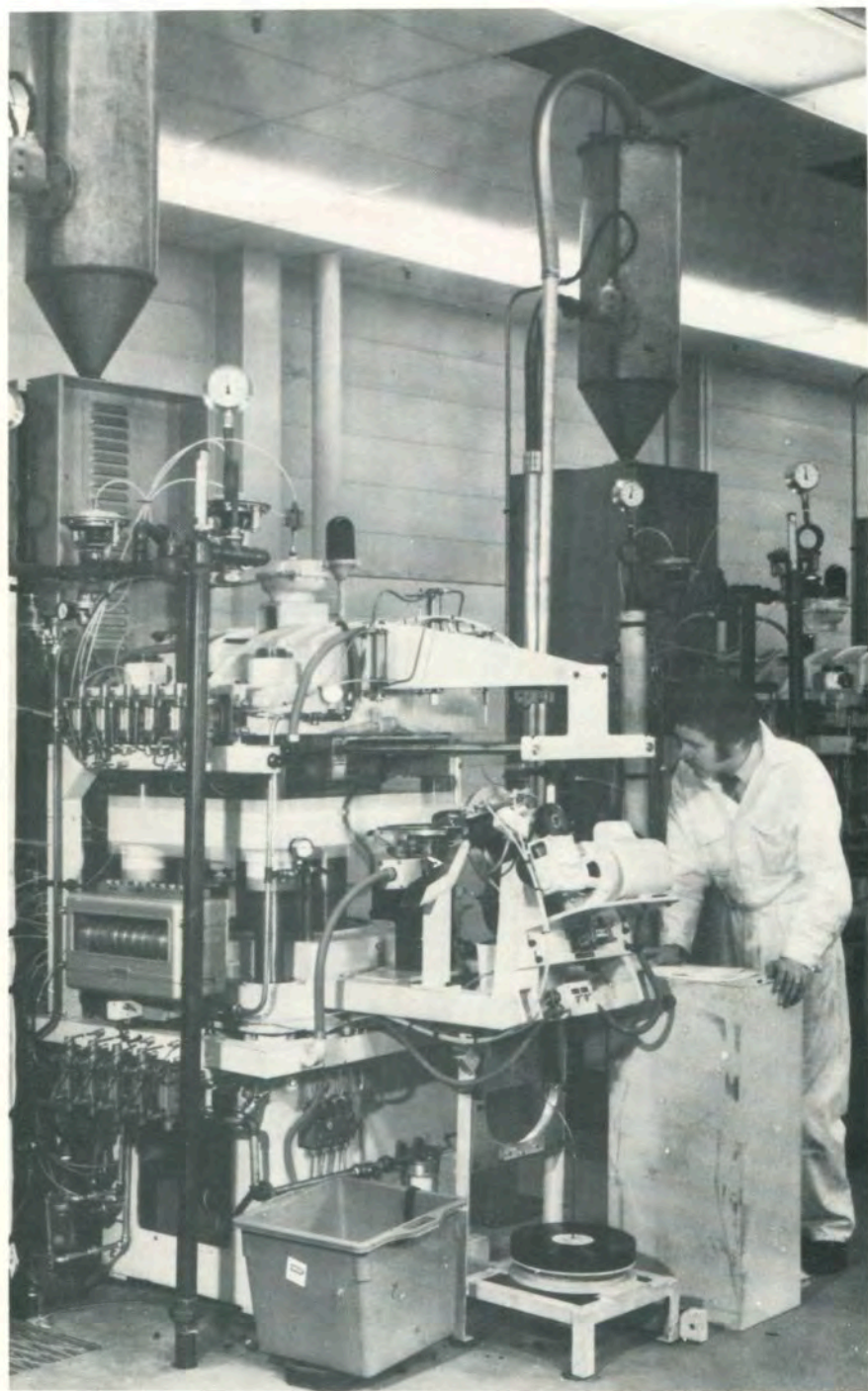
GLEB's interventions have been aimed at medium-size companies; an early decision was taken that it should not, as some had advocated, concentrate on very small companies. In addition the GLC and GLEB have gone beyond the role of merely responding passively to requests for finance. They have developed strategies for the restructuring and modernisation of whole sectors, such as furniture, clothing, instrument engineering and print. GLEB's investments are intended to promote the strategic objectives worked out for the sector as a whole.

GLEB departs in other important ways from a traditional banking role. For GLEB to invest in an enterprise, there are certain minimum requirements: rights of access of trade unions to the workforce and the adoption of a system of enterprise planning, including an equal opportunities policy for women, black people and people with disabilities, with the involvement of the workforce and their unions. In the situation of cut-throat competition that exists in many of London's industries, these requirements are sometimes seen as luxuries; this is indeed one reason why the GLC strategies insist that London's industries should compete on the basis of restructured and modernised, skilled production methods, rather than, as is now generally the case under monetarism, through intensification of sweating. But we also believe that the full involvement of the workforce is a condition of all our major objectives: socially useful production, equal opportunities, and satisfying working conditions. Thus nearly half GLEB's direct or indirect investments have financed workers' co-operatives or publicly owned enterprises.

The GLEB's investments in London have saved or created nearly 3,000 jobs. The direct impact of what GLEB can do on its own is thus limited. The proposals in the various chapters of this first edition of the **London Industrial Strategy**, taken together, add up to about 200,000 jobs, for an investment by national and local government over the next five years of nearly £3 billion. Expanded and elaborated on a national scale, they represent an indication of what could be achieved with both a local and a national policy of active public intervention in production.

**Section One:
CONSUMPTION**

**The cultural
industries**



Working in a record pressing plant. Records on sale in London are commonly recorded in one country, mixed in a second and pressed in a third. This has led to re-organisation of record pressing across Europe, and the loss of three plants in London.
Photo: RCA.

The cultural industries

Summary

1. Since the Second World War, state intervention in the cultural sector has largely taken the form of subsidy to the traditional art forms — dance, classical music, opera, the visual arts, theatre, and literature. It has also tended to serve elite rather than popular cultures. This chapter argues for a different kind of strategy, one that takes on a wider definition of culture, including particularly the electronic forms of cultural production and distribution — radio, television, records and video — and the diverse range of popular cultures which exist in London today. It is a strategy that requires the use of new forms of intervention — investment and loan finance — in addition to traditional forms of subsidy and grant-aid.
2. London is the heart of Britain's cultural industries. About a quarter of a million people are employed in the sector in London, both in the private sector and in the publicly subsidised arts. The potential profits of the sector are huge. £33.6 billion was spent on some form of 'leisure' provision in 1981, 22% of all consumer spending.
3. Within the private sector there are powerful tendencies towards monopoly — based above all on the economies of scale implicit in the electronic means of diffusion and reproduction. These pressures can be seen most clearly at the level of distribution, which is the key both to the diversity of what is available to people as consumers, and to the sector's role in creating employment in production.
4. The history of state provision of culture has not been one of undisputed success. Most people have turned to commercial forms of culture for satisfaction, whether the music hall or disco, commercial television, the popular press and pop music. For many it seems that commercial culture always has the best tunes. Yet the cultural industries are at the same time incapable of themselves creating the original ideas, talents and new forms that make cultural change dynamic.
5. The real base of the cultural industries lies rather in the practice of everyday life, and in the many small independent producers — the small record labels, fringe theatre groups, small literary presses and magazines,

independent film and video makers. As new talents and ideas emerge they are always in danger of bought up and exploited by the major companies, with the result that the profits of success are rarely reinvested in the base of cultural production.

6. The GLC/GLEB policy has been to support this base — in particular the independent producers in film and video, the music industry, press and publishing — and to support the communities of interest such as those of the women's movement, black culture, working class experience and so on. These have been particularly productive over the last 15 years. They have, however, been hampered by ineffective distribution and marketing and their inability to exploit their own successes.

7. Intervention at this level — above all, distribution — helps to preserve cultural diversity. It also creates jobs by enabling more producers to exist at an economically viable level. As well as arguing for investment in the infrastructures of cultural distribution, this chapter argues for a much greater role to be played by the library service, in the provision of services and in the distribution of the independent sector's products, particularly in areas like video.

8. As the cultural industries are organised in ever greater, and more transnational, concentrations, paradoxically the technologies of instant printing, cassette recording, video making etc., become more amenable to small scale, local and democratic control. This chapter argues for a cultural policy appropriate to the technological revolutions currently underway, and for an economic approach appropriate to the cultural revolution of which the GLC has been a part.

6.01 Since the Second World War, state intervention in the cultural sector has largely taken the form of subsidy to the traditional art forms — dance, classical music, opera, and visual arts, theatre, literature and latterly the cinema. This focus on the artist, exhibition site or performance constitutes only one possible strategy for culture. What we deal with here is an alternative strategy and a wider definition of culture — one which takes in a far wider range of what people today experience as culture, one that acknowledges the new electronic forms of communication.

6.02 The GLC is one of Britain's most important sponsors of culture. As well as being responsible for some of the most prestigious cultural sites in the country on the the South Bank the GLC also spends over £60 million each year on arts and recreation. The GLC has continued support for the major arts institutions — such as the South Bank and the Royal Opera House — but its cultural policy has shifted resources away from traditional elitist art forms towards ethnic and community arts and sports, attempting to transform many of London's cultural outlets, for example by supporting community cinemas such as the Rio in Hackney and the Ritzy in Brixton and new bookshops like Silver Moon in Charing Cross Road.

6.03 The policies of the GLC and GLEB outlined in this chapter are designed to supplement these initiatives. Though some areas of live performance will continue to depend on subsidy, what we seek to show here is that there is an alternative approach to culture which uses different forms of finance — investment through loans or equity rather than grant aid and deficit financing — and an orientation towards commercial areas of cultural activity which the state has rarely touched in the past. Substituting investment for subsidy, as advocated in this chapter, has a number of advantages. It helps to break the relationship of dependence which subsidy and grant aid always imply, a relationship which tends to make funding bodies appear to serve performers and producers rather than the general public. It also provides a stronger incentive for cultural producers to meet the demands of consumers rather than producing in the vacuum, and it means that public cultural goals can be pursued through the market which overwhelmingly dominates the production and consumption of cultural goods and services.

The cultural industries

6.04 Almost all the activities of a community, from the way food is prepared and consumed, clothes are designed and worn, to the stories and jokes that people tell, the social relations of work and gender, the styles of art and architecture, can be included in a broad definition of culture. Here we are concerned with the production, distribution and consumption of recognisable cultural commodities and services: with television, radio and cable, video and popular music, the press, publishing, advertising, live performance and the visual arts. We are concerned too with the relationship between these cultural industries and the wider communications industries, with cable and satellite,

the videotape and the videodisc, and with their role in London's life and economy. In many ways this chapter needs to be read in conjunction with chapter 16 on Cable.

6.05 There is a strong and deep-rooted antagonism towards any attempt to analyse culture as part of an economy. Such a step requires a conscious shift away from a powerful tradition of cultural analysis which has a defined culture as a realm separate from and, indeed, often actively opposed to that of material production and economic activity. This tradition has now lost whatever relevance it may once have had. What is available for cultural consumption and what opportunities there are for employment in cultural production are, for better or for worse, clearly determined by economics.

6.06 The significance of the cultural industries within London's economy is undeniable. Printing and publishing is now London's biggest manufacturing sector employing 112,000 people. Electrical engineering which provides, among other things, the infrastructure of cultural transmission is the second largest manufacturing sector in London employing 99,300 people. A further 50,000 people are employed in the audio and audio visual industries, 20,000 in advertising (59% of the UK total) and another 30,000 in the music industry. Employment in the sector is also set to grow substantially. According to the Institute of Employment Research at Warwick University, between 1980 and 1990 the category of 'literary, artistic and sports' will be the fastest growing area of employment, increasing by 30% nationally.

6.07 If this prediction is realised, London is likely to benefit disproportionately. It will continue in its role as the centre of cultural production within the UK, and as the home of the major institutions of the arts — the galleries, concert halls, opera houses, and theatres. It will also continue to occupy its imperial position within the world's cultural economy and division of labour.

6.08 Culture is one of Britain's more successful exports. 34% of the books produced by British publishers are exported. British records make up 25% of a world market in which Britain consumes only 6% (this is why the major record companies remain in the UK, despite making losses in the declining UK market). London-based institutions like Reuters, the BBC, Visnews, and UPITN continue to play dominant roles in transnational flows of information and culture.

6.09 What is it that makes these apparently very different industries and activities operate as a coherent sector? Part of the answer lies in the fact that cultural products and services compete in the market for a limited slice of people's time and expenditure. As a result, an increase in spending in one area — say on video rental — will be liable to lead to falls in other parts of the sector (in this case probably the cinema). The last few years have, indeed, seen major shifts in the way people spend money on culture and recreation. The most important has been the continuing shift towards higher spending on domestic hardware — on TV sets, videos, hi-fis — and a corresponding shift of cultural consumption time into the home. Britain has recently witnessed both the fastest decline in sales of recorded music and the fastest growth in VCR sales and rental in Europe.

6.10 That the battle for audiences and market is being won by the home-based technologies is all too clear. Declining attendance at theatres, football matches, cinemas and even pubs has coincided with a burgeoning market for take-away food and off-licence alcohol. (It can be noted here that the police have accentuated this shift with their preoccupation with 'keeping the streets clear' and advising people that the best way to keep out of trouble is to stay at home.)

6.11 For the media there is the additional competition for a limited pool of advertising expenditure. As a percentage of GNP it has shown a surprising degree of consistency (and remains considerably higher than in European countries). Here the creation of a new medium such as free newspapers or cable television will be liable to reduce revenue in other advertising-dependent media (one reason why magazine and local newspaper interests have invested heavily in cable and forms of videotex).

6.12 For labour, too, the different cultural industries often operate as one. A journalist, for example, can work equally in film, radio, or television. Actors work in all of these areas as well as in the theatre. This phenomenon is reflected in the way trade unions organise. In these two cases the relevant trade unions, the NUJ and Equity, organise across a wide range of different industries.

6.13 The coherence of the sector is also reflected in the way capital is organised. The heavy concentrations of ownership in culture are familiar. Five companies control 62.5% of the UK record market; nine firms control 95% of the British paperback market; six film distributors control over 90% of all film rental, while cinemas are largely controlled by just two companies, Thorn EMI and Rank Organisation. In video the top three US-owned companies, RCA/Columbia, Warner and CIC, control over 50% of the market. In the press three groups control 74% of the daily readership. Equally significant, however, are the trends towards diversification of ownership across the different industries of culture and communication, and towards the internationalisation of control. Well known examples of this include Rupert Murdoch's international empire of newspapers, television and radio stations and satellite broadcasting, or Robert Maxwell's moves from publishing (Pergamon) through printing (BPCC) to newspapers (the Mirror Group) and recently the purchase of BET's cable interests.

6.14 When the same products can be exploited across a range of different media (the record of the film of the book etc.) diversification often goes hand in hand with integration. Integration can work both horizontally and vertically, BET, for example, owns shares in Thames Television, Capital Radio, Devon Air Radio, Argus Press and the Electric Press and, until recently, in cable, reflecting an emphasis on distribution media. Others, like Thorn EMI in the UK and Time Inc. in the US are working to integrate vertically, extending their ownership from programme production and electronic publishing to distribution channels such as cable systems and radio stations. In these last two cases control over cable distribution networks has been explicitly used as a way of entering and dominating the market for programmes and software. Concentration and diversification also have an important international dimension. Companies like CBS, Bertelsman and Hachette are increasingly concerned to extend their

interests across national boundaries and to take advantage of the increasingly international nature of markets for cultural products, whether they be television soap operas, pop records or 'arts' films.

6.15 In approaching culture from the perspective of an interventionist industrial policy issues such as this cannot be ignored. The concentrations of power which these statistics reflect constitute major barriers to intervention by the state, whether at a national or local level. Other barriers, however, derive from the nature of the different paths that the private and state sectors have taken in this area in the past. The former has concentrated on overcoming the practical problems involved in packaging something as unpredictable and intangible as culture into a commodity to be sold for profit. The state sector has tended rather to derive its role from a more abstract notion of culture, that sees it as possessing certain inherent, universal values uncontaminated by class, gender or racial origin which could be damaged by the harsh winds of commerce and industry.

6.16 The modern state has also taken over a traditional notion of the 'unique' individual artist as the sole source of genuine creativity. Seeing its role as paralleling that of the wealthy patron, it concentrates on finding audiences for the artist's work. In this capacity it differs vastly from, say, the problem faced by magazine publishers who see a market or advertising gap and work backwards to the product needed to fill it. Partly as a result of this focus on the centrality of the creative artist the state has also tended to focus on traditional, pre-industrial cultural forms such as opera, painting and the theatre, forms which predate the currently dominant means of mechanical and electronic reproduction.

6.17 Only broadcasting, in the form of the BBC, escapes this focus. Significantly in terms of the state, it falls outside the specifically 'cultural' rubric of the Office of Arts and Libraries. The BBC is the most significant intervention the state has made into electronic forms of communication. The history of that intervention, whether under Conservative or Labour governments reminds us how authoritarian and class-bound a state cultural form can be.

6.18 In the first 50 years of its history the BBC made virtually no concession at all to popular cultural forms or to popular speech — except for using working class voices as a comic relief. Its recruitment policies were almost totally class bound and generally brought in privileged Oxbridge graduates. It created sinecures for upper class poets, writers, and journalists, and made available no new resources for new kinds of cultural developments amongst other social constituencies. It preserved traditional cultural forms and did this very well, yet was overwhelmingly paternalistic in its regard for the interests of the majority of the population. Such innovation as there was was always at a regional level. The BBC was always particularly resistant to musical forms other than classical or light music; folk, jazz, blues, and rock music were effectively kept off the air waves until competition arrived from pirate radio stations. As a model for state intervention in culture, the BBC can only be defended with massive reservations.

6.19 The different perspectives of the state and commercial sectors are also visible in questions of cultural content. Where the private sector is relatively uninterested in abstract considerations of content the state has tended to intervene in support of divisions between 'high' and 'low' culture, as well as in favour of a specific and class based 'national' culture. As a result of these emphases the state's intervention has found itself profoundly marginalised — to outmoded technologies, to minority elite cultural forms, and to an ideology of the creative artist which bears little relation either to the social context of creativity or to the collective forms of production which dominate film, TV, radio, or music.

6.20 It has also been an intervention that has consciously marginalised itself from the realities of cultural consumption. Consumer spending on what can be broadly termed leisure was £33.6 billion in 1981 (22.1% of total consumer spending), massively greater than public cultural expenditure (excluding broadcasting) which came to only £673 million in 1981-2.

6.21 What this means is that while the state has been preserving the citadels of 'true' culture (so for example the state's subsidy to the Royal Opera House is something like £24 per seat per performance), most people's cultural needs are, for better or worse, being supplied through the new electronic forms of cultural distribution and through the market as goods and services. For the serious wider goal of creating jobs and meeting Londoners' needs, we must therefore move on to an analysis of the dynamics of the production, distribution and consumption of culture in the market.

Culture as an industry

6.22 The cultural industries share many of the characteristics of other industries. Those which use an obviously industrial form of organisation such as film, television, and to a lesser extent, recorded music — have their own factories and production lines based on complex divisions of labour between skilled and unskilled labour, between producers and sound technicians, make-up artists and sub-editors, script writers and set designers. They have also experienced similar moves towards a greater widening of gaps between unskilled and skilled mental and manual labour. These industries, too, are dominated by multinationals like Thorn EMI, Pearson Longman, CBS and RCA, which produce for an international audience and which organise their wide ranging interests at an international level. In the case of music, for example, it is now quite common for a British pop group to use recording studios in Nassau, mixing facilities in New York, for a record that will be pressed in Germany for sale in London.

6.23 Internationalisation of this kind can have a severe impact on jobs in London. To take just one recent example, reorganisation and centralisation of record pressing at a European level has led to the closure of four plants in the UK including three in the GLC area — Decca in New Malden, Pye in Mitcham,

and WEA in West Drayton. On the other hand, workers in London in other sub-sectors can exploit their relatively privileged position within the world division of cultural labour. Within advertising, for example, shifts towards global branding and advertising can serve to shift work away from locally based Third World agencies to the London agencies with their high creative reputation and links to international advertising networks.

6.24 The cultural industries also have their own special characteristics which derive from the nature of the cultural commodity itself. Perhaps the most important of these is the cost structure of production and distribution. Within a more traditional area of cultural production, such as book publishing, the cost involved in reaching an audience (paper, printing and distribution) may well be quite high relative to the costs of labour involved in writing a book. With electronic modes of reproduction and diffusion this ceases to be the case. At its most extreme, in television, the marginal cost of reaching an additional viewer is effectively zero, however many hundreds of thousands of pounds a programme may have cost to produce. The same applies to a lesser extent in film or in records. In addition, while it is virtually impossible to increase the productivity of a symphony orchestra or, for that matter, a film production team, productivity can be dramatically increased at the level of distribution, either through the creation of new markets or through using new means of distribution such as television or satellite broadcasting which can expand the potential audience to a whole continent.

6.25 These two features combine to put great pressure on cultural producers to gear production to the widest possible audience, as well as conferring great power on those who control the gateways to audiences. The nature of culture as a commodity, however, greatly complicates any simple strategy of audience maximisation. In the first place, the use value of a cultural commodity is clearly different from that of a car or a drawing board, though even these may acquire some cultural meanings over and above their everyday use. The reason for this is that cultural products carry a very much wider range of meanings for those who produce and consume them.

6.26 These are related to a range of factors — personal and collective identities, taste and fashion — which are inherently unpredictable and uncontrollable. It is a problem both for any state which seeks to make decisions about what kinds of culture are desirable or which claims to be able to reflect cultural needs, and for private companies searching for predictability. The commercial success of a cultural product can never be predicted. For example, only one in sixteen LPs, and one in nine singles actually breaks even. Culture, more than any other sector, is notorious for its dramatic successes and failures.

6.27 To overcome this, companies must systematically overproduce. Once a product is successful the profitability of a product rises dramatically as economies of scale in distribution are exploited. It is not uncommon for 3% of output in a record or film company to account for over 50% of turnover. As a result cultural companies must face the problem of repertoire. They must manufacture a range of different products to be presented to an audience, and produce sufficient 'hits' to finance the inevitably larger number of 'misses'.

This feature of the cultural industries puts a heavy premium on concentration as a means of spreading risks and makes small producers extremely vulnerable to shifts in the market.

6.28 The requirement to create hits — to finance failures and heavy fixed costs — also means that repertoires tend to fall within fairly narrow cultural limits. The success of Star Wars resulted in a spate of special effect SF films of a similar kind. The alternative of flexible specialisation — relatively short runs for smaller and more specialised audiences — is only beginning to make an impact on the periphery of the cultural industries. The notion that there can be only one Top Twenty, one that is favoured by the major newspapers and broadcasting services, is disproved by looking at the specialised music press where one can find up to a dozen different 'Top Twenties', one for every different kind of music.

6.29 The unavoidable problem of independent production and 'flexible specialisation' is the danger of becoming a form of free research and development for the major companies who sit back and wait to buy up the success stories. The now famous South London rock band Dire Straits were first played as a home produced tape on the Charlie Gillett radio show late one Sunday night. The next day they were offered a contract by one of the major labels. The Rastafarian poet Benjamin Zephaniah was first published by a small wholefood/bookshop, Page One, in Stratford, east London. His success as a performer meant that he was offered a very large advance by one of the big commercial publishing houses for his next collection of poetry.

6.30 For those seeking to sell culture as a commodity an additional problem derives from the nature of technologies of reproduction. This can be seen most clearly in the case of broadcasting where culture takes on the form of a public good, each programme being equally available to all at zero marginal cost. This has long been the rationale for providing television as a public service. Where the market seeks to provide culture in a commodity form, however, technologies such as the cassette, the video recorder and the photocopier make it very hard to control, opening up opportunities for piracy, and making the cultural contents — the song, film or text — cheaply available to anyone with the appropriate hardware. As well as being a source of conflict between producers of hardware and software, this also points to one of the key conflicts currently facing workers in these industries — the problem of copyright and the control of intellectual and creative ideas. The unpredictability of markets faces hardware and software producers alike. Two of the most dramatic failures of recent years have occurred in this sector — that of Phillips and RCA with the Videodisc and that of Atari, Warner's subsidiary and the world leader in computer and video games, which transformed a \$524m profit in 1982 into a \$325m loss in 1983.

6.31 The strategies which private capital adopts to overcome such barriers to exploiting culture as a commodity take us a long way towards understanding what kinds of culture are available to us. It is clear that control of distribution, of the route to the audience, is the key site of power in the cultural industries, one reason why the battle over cable (see chapter 16 on Cable) is so critical. The role

of advertising can be understood as the factor which determines what kinds of cultural product can be distributed to what kind of audience. Advertising is also used as a barrier to entry in cultural sectors other than the media. An intensively advertised product can in effect displace a wider range of products already in a distribution network and thus make them fail. From the hundreds of new paperback novels published each month, the wholesalers Bookwise choose just 100 to distribute to their network of shops and newsagents, and of those actively promote only five titles with advertising campaigns. As a result the great majority of novels fall by the wayside through lack of active promotion. In the music industry, advertising expenditure has increased rapidly (from £7.3 million in 1975 to £33.4 million in 1981) as the majors have struggled over a declining market.

6.32 But the use of advertising also reflects the inadequacy of simple strategies of audience maximisation. Media which depend on the sale of advertising space for their revenue, depend as much on the 'quality' (from the point of view of advertisers) as on the quantity of their readership. This, for example, ensures that whereas a middle class minority can support national newspapers, working class minorities cannot (which is why the *Daily Herald* closed despite having a circulation greater than that of *The Guardian*, *The Times* and the *Financial Times* combined). When, in the 1960s, *The Times* attempted to increase its circulation through a widespread advertising campaign, advertising revenue per reader declined as the 'quality' of the paper's readership was 'diluted'. As a result the paper lost considerable sums of money and was forced to shed readers.

6.33 Similarly in women's magazines advertisers are most interested in the 'quality' of the readership. In the top five magazines, the statistical 'correlation' between advertising revenue and total circulation is only 0.782, whereas between advertising revenue and higher income ABC1 readership it is 0.997.

6.34 We can see too how newspapers, television, and radio work with repertoires of different elements designed to appeal to the widest possible audience, and how, for example, Channel 4 works as a regulated distribution medium which spreads risks for a large number of independent producers.

6.35 The primacy of distribution as the site of power and profit is reflected in the structure of the cultural industries. Around distribution and channels of access to audiences we find the highest levels of capital concentration and capital intensity, and the classic industrial forms of process and related forms of trade union organisation. These features are particularly noticeable in the manufacture of consumer hardware, the home-based infrastructure of cultural distribution, and in the channels of software distribution in television, cable, satellite broadcasting, video distribution and record pressing and distribution, in each case linked to a specific mode of reproduction. RCA and Phillips, for example, each spent several hundred million dollars developing the video-disc, more in real terms than was invested in the development of colour television in the 1960s. As the Japanese had done with videotape and the VCR, RCA and Phillips were gambling on pioneering a change in modes of consumption.

6.36 Around these clusters of power are those carrying out or organising cultural production — the independent television production companies, session musicians and record producers, literary agents and writers and so on. These satellite areas are characterised by high levels of insecurity for labour, by forms of payment such as the royalty and commission, and by a complex mixture of casualisation and widely differing rates of pay.

6.37 It is a form of organisation which solves many problems for the majors. It means lower fixed costs, it spreads the costs of innovation over a lot of unpaid labour and allows for the flexibility required to organise creativity. It is clear to even the most conservative major companies that culture cannot be produced in the same way as steel or textiles. Profitability depends rather on how autonomy and creativity are controlled, encouraged and monitored.

6.38 In these peripheral parts of the cultural industries fragmentation is on the increase: this can be seen for example in the disaggregation of media buying and creative functions in advertising, in the growing role of independent film production under contract to the main studios in Hollywood, in the creation by ITV companies of subsidiaries using freelance labour for film or programme production and in the creation of multiple labels under the major record companies.

6.39 The real 'raw materials' of the cultural industries are to be found in the practice of daily life. For packaged culture is only the tip of the vast iceberg of cultural activity. For every book that is published (44,000 in 1982, more than in any previous year) dozens are rejected. The same phenomenon occurs in music and the visual arts where the primary means of production — literary, musical or visual literacy — are easily accessible. Because the cultural industries can feed off a mass of cultural activity the gatekeepers of these industries, the editors, artists and repertoire executives etc., play a profoundly important role. This role involves both the positive editorial function of developing repertoires and creating audiences for certain kinds of work, for new genres and new styles, and a negative power to silence areas of cultural activity, a fate suffered, for example, by much working class writing and certain kinds of popular historical traditions. Since the last war this editorial function in culture has become increasingly complex as it shifts away from a parasitic dependence on pre-existing cultural activity towards an emphasis on commissioning products to fit an already conceived audience. Forward planning and 'product development', combined with the task of identifying and developing audiences have, in other words, become ever more integral to the editorial function in all of the cultural industries.

6.40 The contradictory changes in the way cultural production is organised can also be seen from another perspective, that of the faltering emergence of a regime of 'flexible specialisation'. During the 1970s Britain witnessed the growth of a new generation of small independent cultural producers which exploited the inability of the 'majors' to cater for rapidly changing cultural needs and tastes. Many pioneered new cultural practices and created new audiences: examples include alternative and community newspapers like the *Islington Gutter Press*, *West Highland Free Press*, *Oz*, *Time Out*, publishers like

Virago, Pluto, Writers and Readers, and Centreprise, New Beacon and Bogle L'Ouverture, record labels like Rough Trade and Factory, and more recently the independent programme producers around Channel 4. Apart from their base in wider social shifts and the unresponsiveness of the majors, they also benefitted from changes in the organisation of distribution and retailing.

6.41 Here, the moves by the major high street chains like Woolworths, Smiths and Boots into retailing mainstream cultural products combined with new pressures from the major distributors and wholesalers (on margins, delivery times, minimum batches etc.) to force specialist retailers into further specialisation. These often converted themselves into political or community bookshops, record shops oriented to new wave, jazz or reggae, and created the base for new distribution networks like the Publications Distribution Co-operative, Rough Trade and the Cartel.

6.42 The independents had many weaknesses, not least their frequent dependence on semi-voluntary labour, their lack of resources and the ability of the majors to buy off their more successful offspring, such as feminist publishing. They did, however, point to the possibility of creating cultural products for smaller markets. Without the massive overheads and systematic over production of the majors they could often break even at much lower levels. Despite declining markets in many areas in recent years (most notably in music), these companies managed to benefit from changes in the technologies of production. New developments in computerised typesetting, new music and video recording technologies and changes in tape duplication and printing techniques can dramatically lower the level of viable economic production.

6.43 Nevertheless the problems of spreading risk, of creating repertoires and avoiding dependence on a few successful products and of controlling distribution remain critical. In book publishing and music, for example, during the current recession many radical independents which had flourished in the 1970s have had either to join larger outfits (as was the case with the publishers Virago and History Workshop and the independent record label Stiff, which sold a 50% stake to Island Records at the beginning of 1984) or face crises of capitalisation as they tried to expand their lists to reach a wider market.

6.44 Distribution and retailing of cultural products are undergoing a rapid period of change reflecting shifts in the technologies of culture and consumption patterns. The single clearest trend is towards a reduction in the number of outlets and an increasing tendency for multiples to dominate retailing across a range of different products. Between 1961 and 1983 the number of newsagents in Britain fell from 71,108 to 30,000. Many have been under threat from the rise of freesheets, from the bulk purchasing power of the multiples and from the use of supermarkets to retail magazines (Comag, the largest magazine distributor, for example recently made a deal to distribute through Sainsbury).

6.45 For the small outlets the greatest fear is of the tie-up between distribution and retailing: two of the three largest distributors — W.H. Smith and John Menzies — also own retail chains (462 shops in the case of Smiths). As a result

they can effectively dominate the market. Smiths recent, unsuccessful, attempt to take over Martin's 400 outlets has confirmed this trend. In other areas a similar pattern of consolidation is underway. In the book trade, although as a whole the trade has borne the recession successfully, many small bookshops are under threat. Net profitability in bookselling was only 1% in 1983 (compared to 5% in 1972), with 36% of (mainly small) bookshops reporting losses. Only 18% of books are now sold through specialist bookshops with the multiple chains and bookclubs dominating the market. For the book and magazine markets the various threats posed by the multiples are being compounded by moves to harmonise EEC policies for VAT by imposing it on books and the press. In music, too, multiples like Boots and Woolworths have entered a record market in decline as the proportion of teenagers falls. Unemployment has hit spending power and new technologies like video compete for consumer spending.

6.46 Video is also complicating the picture of distribution and retailing in the sector. In 1984 there were an estimated 5.67 million home video recorders, representing a 27.3% penetration of the number of households with televisions. Video has been used by many newsagents as an element in their diversification strategies, but has brought with it many problems. As distributors like RCA move from leasing to sale to outlets pressures on them are increasing, changing the terms of trade against outlets. The emergence of videos for sale at around £10, pioneered partly by CIC, combined with rapidly falling tape costs, is liable to turn videos into a commodity more like a book, with a possible change in the way it is made available to consumers, coinciding with a downturn in the demand for video rental.

Channel 4 as a model

6.47 One model which has sought to alter the balance between independence for producers and their relative weakness in comparison with the majors which control distribution is that of Channel 4. The new channel was specifically designed to redirect resources from the ITV companies with their monopoly over television advertising towards programming for specialised and minority audiences not catered for by ITV or BBC. Rather than organising programme production in-house it was decided that the channel should be organised as a distribution mechanism for several hundred independent production companies.

6.48 Channel 4's success in building up new audiences for television around programmes like *Brookside*, *Diverse Reports*, *No Problem* and *The Tube* — audiences which have paralleled those created by the independents in other media — has combined with the creation of as many as 4,000 new jobs in London in production companies, facilities houses and the Channel itself. The model developed around Channel 4 is one that could be used in other sectors. In effect it is a model for using a tax on near-monopoly controllers or distribution (in this case ITV companies) to fund a redistributive programme

which can serve both to create jobs and meet hitherto unmet cultural needs. In the press, for example, taxes on advertising revenues (above a certain level) could be used to subsidise newsprint for small circulation newspapers aimed at audiences which aren't wealthy enough to generate advertising revenue, or for start-up funds for new publications. In music, funds generated from radio airplay could be used according to similar principles rather than going to those who are already successful.

6.49 Levies on films shown on television or video could equally be used to finance new production by independent units or companies. By committing publicly accountable commissioning bodies to support diversity and to counteract the socially regressive workings of the market, a wide range of independent producers can be supported. This not only creates new jobs but also redresses imbalances in the way the sector is organised. Advertising in the press tends to pull cultural resources — the best designers, photographers, film-makers, and the best equipment and materials — towards the cultural and informational needs of wealthy audiences.

6.50 Measures of the kind mentioned above can serve to redirect cultural resources towards cultural needs which are currently not being met. Existing models for using taxation within the cultural sector almost always tend to favour those who are already successful. The Eady levy is distributed in proportion to box-office takings, the PLR scheme in proportion to book borrowings (so favouring already successful authors) while proposals to levy blank audio and video cassettes always tend to assume that funds should be distributed to record or video companies according to sales. We would argue that since the majors are already feeding off a sphere of production whose costs they do not have to bear there is a strong case for funds to be redistributed in an opposite way, to support diversity and plurality at the periphery of the cultural industries rather than consolidating the power of the majors at their heart.

6.51 The double edge involved in structures of this kind cannot, however, be ignored, and is summed up in the word independent. For until independent programme producers develop alternative distribution outlets (e.g. foreign television, or video in the UK) they are entirely dependent on revenue from the body which controls their distribution, namely Channel 4. The same would undoubtedly apply to producers dependent on an alternative funding source.

6.52 Channel 4's particular importance derives from the fact that it provides a way of organising television. Television is by far the most important form of cultural diffusion. 98% of households own a television set, and on average British people spend 22 hours a week watching it. In the last few years the TV set has become the key site for a wide range of industries in telecom and information services, hardware manufacture and software production, a phenomenon discussed more fully in chapter 16 on Cable. Public service broadcasting is the state's most important area of intervention. The income of the BBC alone in 1982 was £563.6 million, almost as large as all other public expenditure on culture put together. The BBC is as significant a patron of the arts as the Arts Council through its sponsorship of plays, concerts and so on. The public sector also exercises powerful regulatory controls over commercial

television and radio, imposing rules of cross-subsidy, quotas on imported material and mandatory programming. These play a crucial role in preserving employment in the British programme production industry, while it is of course out of public regulation rather than private innovation that the Channel 4 model has emerged. Television's significance derives from its enormous efficiency as a distribution medium which can provide programmes for as little as 2p an hour cost to the consumers. The battles both between broadcast television and cable, video and satellite, and between the public services principle and the market are dealt with more fully in chapter 16. Here, it is sufficient to recognise the position of television as by far the most important medium of cultural distribution, and indeed as the most important medium for informing people about other forms of culture.

6.53 The struggles in which European television services are currently locked are relevant to the other cultural industries. The central struggle is focused on the role of the international market. The powerful commercial forces which are ranged behind the cable, satellite and commercial television industries argue that a freer international market for television programmes would bring with it a wider range of choice. For Britain however, even before the arrival of free-market cable, the combined effects of spiralling production costs, pressures to reduce the real value of the licence fee and to increase programming hours have led the British programme production industry into an ever more urgent search for international links and sources of finance, especially with the USA, through co-production deals, pre-production sales and an ever greater emphasis on producing exportable programmes (with, perhaps, an American in the lead role and an 'appropriate' mix of drama and violence). In other words the free international market in practice means openness to domination by the most powerful market, in the case of Britain by the USA.

6.54 As well as exercising a wide range of powers over broadcasting the public sector also owns what is perhaps the most significant single infrastructure for the distribution of the physical commodities of culture. This is the public library service. The fact that cultural goods often behave like public goods has already been mentioned and lies behind the collective, usually free provision that the libraries represent. The origins of the public libraries also typify the dual nature of much of the state's intervention in culture — on the one hand a major gain for the principle of collective provision, and on the other a displacement of pre-existing autonomous activity — in this case a deliberate attempt to displace the many autonomous and self-organised working class libraries and Mechanics Institutes that existed before the birth of the public libraries. Their origins are reflected in the intimidating aura of Victorian paternalism — the atmosphere of a temple or museum rather than a cultural centre — which many libraries retain.

6.55 Libraries do, however, represent the most important area of direct spending by the state on culture (£359.6 million in 1981-2), particularly for local authorities (£320.5 million in the same year). They also provide services for many who are discriminated against in the cultural market place, notably the

old and unemployed. London alone has well over 440 libraries, run by local boroughs. A very large proportion of this spending is taken up by staff and building costs. Libraries have only recently begun to come to terms with the new technologies of culture, with records and tapes (including, after a long delay, popular music) and now, video (already being provided in 50 out of 187 library authorities in the UK).

6.56 Many would argue that the libraries could considerably expand their sphere of operation to encompass the provision of information services and cultural services for those not working during the day. With cinemas continuing their steep decline libraries would make ideal venues for film and video exhibition, linked to the provision of childcare facilities. Moves along these lines could build on the libraries' recent, belated, concern with exploring the information and cultural needs of the public they are meant to serve. Initiatives of this sort are critical. Many of the state institutions of culture have been markedly unresponsive and unaccountable to the public, in stark contrast to the private sector's obsession with market research and information about consumer preferences.

6.57 In the long term, too, libraries could play a larger role in the local cultural economy. They have the resources and expertise to stock much wider ranges of product than the high street shops and could develop by providing quite specific and agreed retail services in parallel to free lending. This already happens in Hackney and elsewhere where locally produced books, postcards and photographs are sold over the library counter. In some areas, libraries are also being developed as centres of access to the means of cultural production — to recording studios, video production and printing facilities.

GLC strategy and the role of GLEB

6.58 Our analysis of the cultural industries leaves little doubt that the market is a very inadequate means of meeting cultural needs or of guaranteeing opportunities for people to work in this area. The forces of the market often act to limit choice and to smother diversity, rather than being the guarantors of plurality they claim to be. In short we see powerful tendencies at work in the market which are moving towards a regime where fewer and fewer films, books or records will be made for ever larger, and more international audiences. We see these trends as being crucially linked to the increasing importance of electronic modes of distribution and of the new telecommunications systems of cable and satellite. The results of this trend are bound to be serious not just for jobs in London and elsewhere but also for the nature of our culture. Such conditions necessarily breed an homogenised culture: transnational, synthetic and cleared of idiosyncrasies and rough edges.

6.59 The experience of the British film industry points to the dangers. Despite a range of regulatory measures adopted after the last war (including quotas, the Eady levy and the creation of the NFFC) the British industry has largely been

left to the logic of the market place (unlike, e.g. the French film industry which is publicly funded to the tune of over £70 million each year). The results have been dramatic. Between 1972 and 1982 the number of British films registered for release fell from 103 to 24 per year, leaving an industry dependent on a fluctuating exchange rate and the vicissitudes of capital allowances to bring it international work. What small revival there has been since then has depended to a significant degree on Channel 4's finance of over 20 films each year and on a few isolated successes in the US market. Now even the Eady levy and the NFFC are being abolished, to be replaced by a remarkable invention — a privatised public body to finance film production.

6.60 The important point to recognise is that dependence on the free market will always be liable to lead to dependence on the largest market within the international market place: for Britain, as for much of the world, this means dependence on the American cultural industries. While the market undoubtedly has some positive features — a potential for responsiveness, openness to popular cultures, and an ability to reflect changing cultural needs — it is open to powerful pressures towards monopoly and concentration, particularly at the level of distribution. In other words, if left to itself it is liable to undermine the very diversity that freedom of choice is meant to guarantee.

6.61 Conversely we would not wish to underestimate the degree to which the public institutions of culture — notably public service broadcasting and the libraries — have been insulated from the pressures of the market. This has had the further effect of insulating them from changing popular tastes and demands.

6.62 These considerations require us to work both in and against the market: against the market's narrowing commercialising tendencies, but in the market place which is currently the main site where cultural needs are met or ignored, the site where jobs are created and destroyed. For the GLC as a major arts funding body it has also meant coming to terms with London's lively and pluralistic popular culture and with the ideologies embedded in definitions of art, in the artificial distinctions between high and low culture and in the words, images and sounds of culture itself. For the first time a major funding body has shifted resources away from the elite arts towards new areas like video, photography and popular music and towards the cultural needs of women, ethnic minorities, the young, the unemployed and the elderly — all those discriminated against in the cultural market place. It has also meant using some of the techniques of the market — forms of market and audience research — to enhance our understanding of who actually uses cultural resources and services and why, so that the traditional problem of publicly funded art — producing goods and services for which there is only a limited and self-defined audience — can be avoided.

6.63 For GLEB, as the GLC's arm of industrial intervention, working in and against the market creates a new range of problems and issues. There is little direct way of influencing the decisions of a Thorn EMI or a Pearson Longman, although majors such as these play a primary role in creating and destroying

jobs in London's cultural industries. Yet adopting a 'small firms' strategy in culture raises distinct dangers. Issues of repertoire and distribution make small independents and sub-contractors critically dependent on the majors and highly vulnerable to the shifting sands of the market. It is these small firms that bear the brunt of risk and failure.

6.64 However, given certain conditions, there is a good case for supporting small independents in this sector — particularly those working in alternative or minority cultures. Where the independents have a clear cultural profile as in music or video, where they work within alternative or minority cultures, there is scope for intervention to strengthen distribution and to provide common services which enable the small independents to compete more effectively with the majors.

6.65 Here the aim is to enable projects to secure a solid financial base so that they can reinvest the proceeds of their successes rather than seeing them exploited by large companies or multi-nationals. Such a strategy permits a diverse number of alternative areas of culture to develop with a secure economic and human base, to take advantage of the parallel shifts towards flexibility in technologies and fragmentation and specialisation in the market for cultural goods and services. Interventions of this kind serve also to enable small producers to enjoy some of the economies of scale — either in distribution or marketing and management expertise which the majors have internalised. GLEB is also committed to supporting co-operatives as a way of strengthening labour's position within the sector, and as an alternative way of organising production.

6.66 In particular areas, such as ethnic minority culture, in the absence of investment or risk-taking by the major companies, there is little choice but to adopt a small firms strategy to meet the twin goal of creating jobs and improving the ability of producers and distributors to meet unmet needs.

6.67 The above considerations have led to a number of different strategies. The emphasis on distribution has sometimes meant working with existing distributors such as the Cartel and Rough Trade, Making Waves and Jungle in the music industry. Here GLEB is backing an initiative to computerise a nationwide network of distributors and wholesalers serving the independent sector, as well as investing in marketing and other ancillary services. In other cases, such as the book trade, GLEB has initiated new distribution agencies for the alternative and black publishers. In the press sector, GLEB has intervened through an investment and training scheme in ethnic newspaper and magazine distribution as well as investigating the scope for joint advertising sales between a number of Afro-Caribbean and Asian papers. These differing investments reflect the varying structures of distribution within the sub-sectors: in music, for example, although distribution is largely controlled by the majors who are, of course, also involved in production, there is a strong base of independent distribution. In books, and particularly in newspapers, distribution is largely controlled by a small number of large distributors — such as Bookwise and Surridge Dawson, who have relatively few direct links with production or who are linked to retailing, as is the case with W.H. Smith. In the

video industry on the other hand distribution is still in a relatively fluid state, combining the vestiges of leasing arrangements from the major suppliers with purchase and hire, mail order, and illicit operations which retain at least a third of the market. Here the main thrust of GLEB's work has been to encourage the libraries to make a fuller use of video and to concentrate on building up much wider ranges of material than is available in the commercial video rental shops, with an emphasis on educational, campaigning and documentary material as well as on feature films and entertainment programmes.

6.68 GLEB's second line of intervention has centred on support for what can loosely be described as common services. Where there are a large number of small units in a sector, functions such as marketing and management advice can be provided more efficiently at the level of the sector than the individual enterprise. GLEB-supported projects of this kind range from the provision of music recording and video post-production resources through joint worker/user co-ops, to work involving London's independent bookshops. Interventions of this kind have more than a strictly economic significance. They can also build on the identity of a sub-sector and create the conditions for greater co-operation, sharing of skills and experiences which are essential if small units are not to become totally dependent on and subordinate to the much more powerful, multi-sectoral companies.

6.69 The work being done on the libraries points to the need to link distribution to retailing and outlets for goods and services. The retailing weight of W.H. Smith or Our Price Records confers considerable power over what material is available and over what is given prominence. Two kinds of strategy can be pursued to compete with this. One is strictly political. Campaigns over stocking policies have clearly shifted W.H. Smith towards a more politically neutral stance. Publications like *Spare Rib*, *Marxism Today* and *New Socialist* are now available through their shops. Political campaigns can also have an impact on the provision of cultural services on television, radio or cable by provoking public reaction.

6.70 The second kind of strategy involves building on alternative outlets, whether through the existing infrastructure of the library service or through publicly funded multi-media outlets which take advantage of moves across different media, and links between live performance and retail buying. In New York, for example, the majority of book sales take place in the evening in the main entertainment centres. In many areas of cultural production there is also a clear case for some forms of collective provision. In video, for instance, although the economic structure of the industry is moving towards purchase becoming the dominant form of provision (as tape costs fall), usage patterns suggest that few people want to see a film more than once or twice. This provides the logic for some form of collective provision. The same applies to a lesser extent to the provision of records, tapes and books. What experience there has been with video also suggests that it can bring an entirely new section of the public into the libraries.

6.71 Any strategy for the cultural sector must also take note of training which is notoriously chaotic. Despite a range of institution-based courses in

organisations like the BBC, National Film School, London College of Printing and various polytechnics there is a marked lack of co-ordination of a kind that tends to work against the interest of hitherto-excluded groups. In the long run we would argue the need for local education authorities to come to terms with the new audio and audio-visual technologies and teach the new forms of literacy which they constitute. The GLC and GLEB have worked to provide cheap access to music recording, video production, word processing and printing facilities. These should go hand in hand with more explicitly training based projects.

6.72 The emphasis we have given here to the new technologies of culture should not detract from the importance of supporting live forms of culture. The impossibility of raising productivity in live performance while it increases elsewhere in the economy means that the real cost of live performance tends to rise. Even most rock and pop concerts are now subsidised by record companies. In general, support for live performance and festivals of the kind provided by the GLC is, and will remain, indispensable.

The national dimension

6.73 While there is much that local government can do, without action at a national level jobs in many of the industries discussed in this chapter will remain at risk. Mergers or takeovers in Fleet Street, contraction in the film industry or decline in export markets for British publishers could all lead to serious job losses in London. The brunt of these are likely to be predominantly borne by the independents, sub-contractors and by manual and less skilled workers in areas like printing, record pressing and retailing.

6.74 We would argue for a range of measures which can link economic and employment goals with the aim of encouraging a diverse and lively cultural scene. In broadcasting, we would argue for the use of quotas for national and local programming on cable, for the extension of elements of the Channel 4 model to existing broadcast television, for positive action training programmes within ITV and BBC, and for a levy on films shown on television to be channelled back into new productions and training. We would also argue for the BBC and ITV to work on developing a new relationship with Third World countries in the world television market. The second strand of policy concerns taxation. We would argue for an extension of the Channel 4 principle of redistributing advertising revenues within sectors of the media. According to this model, revenue for national and local newspapers, television and radio can be channelled back into subsidy for distribution and materials for smaller producers through the use of levies linked to the scale of advertising revenue and size of market share. In radio, such a system could be used to raise finance for smaller community and community-of-interest radio stations broadcasting on unused frequencies. Not only would taxes of this kind make sound economic sense — as Channel 4 has demonstrated — and create jobs; they

would also help to provide a much more representative media than we have at present.

6.75 Thirdly, we believe that the time has come to set up an integrated Ministry of Culture, co-ordinating the different functions currently covered by the Home Office, the Department of Trade and Industry and the Office of Arts and Libraries. The chaos that has pursued the government's cable policy with debilitating conflicts between different departments, shows how damaging this outmoded division of responsibilities can be.

6.76 Finally we would argue for a change in the mentality which dominates the powerful institutions of culture and the arts. The Arts Council, under the monetarist Sir William Rees Mogg, remains locked in outmoded ideologies and an archaic understanding of art and culture. Its narrow elitism is now being compounded by an obsession with business sponsorship and with turning the arts into an extension of corporate marketing.

6.77 Instead of speaking of a free market in culture — a free market that almost everyone working in culture realises in a myth — the government should be playing an enabling role; expanding the realm of public provision in broadcasting and the libraries while experimenting with new forms of accountability and new methods of gauging audiences needs, while intervening in the markets of culture to ensure maximum diversity and choice. This means that the state should be working to encourage genuine diversity in cultural forms rather than trying to impose its view on a sceptical public. We believe that distribution is the key.

6.78 The cultural industries are currently undergoing rapid change. New techniques for distributing and consuming culture are emerging at the same time as struggles are underway between public service principles and the requirements of the market, and between national and local cultures and the needs of the multinationals. In this context we see a major role for the state to play in the cultural sector to protect diversity and employment and to guide the direction of change.

6.79 Whether the same companies will control the production of culture and its distribution to audiences, what space there will be for democratic forms of organisation, and what scope there will be for local and minority culture to gain access to the new means of distribution will all be crucial struggles. What is essential, we believe, is that the state plays its part in the key battle currently underway between the forces of private capital which require a predictable market for a few mass international sellers and the cultural need for true diversity and real choice.

Proposals for action

1. The GLC will support the campaign for a minimum 2p rate to be spent by all local authorities on support for culture and the arts, using the money raised both for subsidy and for investment in local cultural industries. The GLC will invest in expanding and improving the distribution of music, books, videos, newspapers and magazines made by independent producers. Investment will also be directed towards the provision of common services — e.g. advisory services on management or co-operative structures, marketing, use of new technologies etc. — for independent producers.

2. The GLC will consult with all London libraries on ways of improving their service, expanding their role as a distributor of video and locally produced material, shifting towards provision of day-time services such as film and video screening with childcare facilities.

3. The GLC will give support to local retail outlets — community bookshops and multi-media outlets — offering an alternative service to that of the High Street multiples.

4. The GLC will support training schemes along the lines of the film and video 'Jobfit' scheme pioneered by the GLTB whereby levies on producers within an industry can be used to provide training programmes particularly geared to the needs of women and ethnic minorities.

5. The GLC will consult with the relevant trade unions on ways of improving and democratising the service provided by the London-based broadcasting institutions, in conjunction with investment in local and community of interest radio stations using London's empty radio frequencies.

6. The GLC will support campaigns for a new regime of taxation in the cultural sector based on the Channel 4 model whereby taxes on the advertising revenue of the major producers and distributors can be ploughed into creating new jobs and widening the range of cultural products available.

7. The GLC will support the campaign for all workers to have a statutory

right to 150 hours each year to be spent on cultural and educational purposes, to be linked in with programmes to enable people to learn the new audio and audio visual literacies.

8. The GLC will support moves to integrate the different cultural functions at a national level — the Office of Arts and Libraries, the Home Office and Department of Trade and Industry — under a single Ministry of Culture overseeing a number of competing local and national funding bodies.

9. The GLC, in conjunction with local councils, will investigate new, mutual relationships with the Third World, focusing both on a two way flow of television programming and film, and the provision of currently unused cultural hardware — such as film projection equipment, printing and copying machines to state and non-state organisations in the Third World.

Sources

Ken Worpole, *Reading by Numbers*, 1984

P. Hardy, *The Record Industry*, 1983

S. Blanchard, *Film and Video Distribution and Exhibition in London*, 1983

P. Curwen, *The UK Publishing Industry*, 1979

Ehrenburg and Barwise, *How much does the Television Cost?* 1982

The London Industrial Strategy

The various chapters of the London Industrial Strategy are available singly as follows:

- The food industry
- The furniture industry
- The clothing industry
- Retailing
- The cultural industries
- Domestic work and childcare
- Health care
- Vehicle manufacture/Motor components
- Instrument engineering
- Arms conversion
- Computer software
- Information technology and office work
- The printing industry
- Cable
- Homeworking
- Cleaning
- The tourism industries
- Public transport
- Energy
- Construction
- Heathrow and west London
- The docks

Each of these can be obtained free of charge from the address below.

The full text of the London Industrial Strategy, with an introduction, is available at £5.00 paperback or £15.00 cased post free from the address below.

Industry and Employment Branch
Greater London Council
Room 6b
County Hall
London SE1 7PB.