BEYOND THE CREATIVE QUICK FIX
Towards an understanding of creativity’s place in South Australia’s economic development agenda

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Abstract

Perspectives on the concept of *creativity* are widely varied. The word is used so often by so many people in so many contexts it has become a fuzzy concept.

This thesis examines how conceptual contestation surrounding notions of the economic contribution of creativity through arts and cultural activity, and the increasing recognition of the contribution of creativity to regional innovation and economic development strategies, are played out in an Australian context.

It examines historical antecedents surrounding notions of value and status between the applied and liberal arts on the one hand and the arts and sciences on the other and the influence this has had on contemporary academic discourse considering creativity’s role in a region’s economic development. In addition to the academic discourse stemming from *economic development and innovation theory*, and *cultural economics*, the arts, design, and cultural sectors have all undertaken advocacy based research and produced reports that seek to demonstrate their form of applied creativity’s contribution to the mainstream economy, hoping to justify government investment in the development of their industry sectors.

The diversity of approaches to legitimising and understanding how and how much creativity and the creative industries contribute to economic development has resulted in a tangle of policy perspectives, strategies and investments to foster creativity as a means to strengthen regional economies.

With the adoption of fostering creativity as a central element of *South Australia’s Strategic Plan*, a unique opportunity arose to examine the historical antecedents, and contemporary academic theories, advocacy arguments, and policy discourse that have been influential in shaping South Australia’s current conceptualisation of where and how creativity and the creative industries contribute to the economy. The thesis examines the evolution of creativity as a key policy objective of the South Australian government and argues that it has manifested in a way that might be termed a creative quick fix. It is argued that a more holistic conception of creativity is useful as a foundation for regional development.

By gaining an understanding of the origins of the tangle of competing values and policy agendas, this thesis suggests an alternative approach to conceptualising, measuring and fostering the contribution of the creative industries across all six key objectives of the South Australian strategic plan.
Declaration

I certify that this work contains no material which has been accepted for the award of any other degree or diploma in any university or other tertiary institution and, to the best of my knowledge and belief, contains no material previously published or written by another person, except where due reference has been made in the text. In addition, I certify that no part of this work will, in the future, be used in a submission for any other degree or diploma in any university or other tertiary institution without the prior approval of the University of Adelaide and where applicable, any partner institution responsible for the joint-award of this degree.

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Acknowledgements

With the support of Associate Professor John Spoehr from Adelaide University’s Australian Institute for Social Research (AISR) and Terry Tysoe (Executive Director Strategic Projects, DPC) I sought to formalise my enquiry on how South Australia’s creative sectors might be able to play a more significant role in the economic development of South Australia. This coincided with the development of the South Australian Strategic Plan. The resulting ARC Linkage project was a partnership between AISR and the South Australian Government’s Department of Premier and Cabinet, Strategic Projects Division. I am therefore grateful to both John and Terry for enabling my research journey to commence.

The journey to submit this research project for examination has been long and informed by many discussions with people from a variety of backgrounds along the way. I acknowledge the assistance of the Adelaide Graduate Centre and the School of Social Sciences for supporting my attendances to present at conferences in the formative stages of my research journey. This enabled me to situate my case study focused on South Australia within the context of the international discourse considering the creative industries role in economic development.

I would particularly like to thank Barbara Brougham whose support in the final stages of my research journey has provided me with the opportunity for lively and stimulating discussion and sage advice in the process of editing my thesis. I am grateful for the opportunity to have learnt so much from Barbara throughout the editing process.

It is to my supportive and patient family and friends however that I owe the most heartfelt thanks.
BEYOND THE CREATIVE QUICK FIX

Towards an understanding of creativity’s place in South Australia’s economic development agenda
Prologue

At the time I decided to commence this research project in mid 2004 I was Executive Director (1999-2004) of Craftsouth Centre for Contemporary Craft and Design, an incorporated industry association that represents, develops and promotes the South Australian contemporary craft and design industry (www.craftsouth.org.au).

During my time at Craftsouth the membership grew to include over 350 practitioners from a diverse range of creative disciplines, personal and professional ambition and enterprise types and scales. Working closely with creative practitioners from a diverse array of skill bases, I was acutely aware of the wealth of creative talent we have residing in South Australia, and its potential to make a significant contribution to the economy.

As an industry association, one of Craftsouth’s key objectives is to deliver services which increase the professionalism and sustainability of craft, design, and visual art practitioners. Accordingly, Craftsouth began to investigate the development of additional services that could assist members earn sustainable incomes from their creative practice. In 1999 Applied Ideas was developed as a multi faceted program for implementing innovative solutions that had the potential to improve the viability of designer/makers as well as manufacturers in South Australia.

At the completion of a highly successful pilot of the Applied Ideas product commercialisation workshop series, the South Australian Premier Mike Rann launched the Applied Ideas showcase site in Leigh Street, Adelaide, which was fitted out with the prototypes produced as a result of the workshop program.

The success of this pilot project was drawn to the attention of Marion and Onkaparinga Councils who were searching for ways in which they could stimulate design and innovation in the large number of manufacturing businesses in their council districts. Of particular concern to them was the declining sustainability of the Mitsubishi car plant at Tonsley Park and the network of manufacturing businesses that supplied components. The imminent loss of Mitsubishi to the region would have a major negative flow on effect to these businesses. The economic development units of both councils at the time were focussed on assisting the development of sustainable businesses, waste management and
community sectors in the region, and were seeking to utilise *Applied Ideas*’ action based learning workshop program to build on initiatives already being developed or delivered. In addition, both councils were seeking to develop an integrated approach to the economic, social and environmental priorities of the region and saw the *Applied Ideas* program as an excellent means of encouraging partnerships and collaborative activity (both formal and informal) between organisations across the region. Stemming from their collective objective, *Applied Ideas* in collaboration with the Cities of Marion and Onkaparinga and the state Office of Sustainability (DEH) developed the *Waste to Wealth Product Development Workshops* to link local manufacturing businesses in the southern suburbs cities of Marion and Onkaparinga with designers and the waste management industry in order stimulate waste to wealth opportunities through new product development initiatives. Part funding was sought to support participant registration fees from the Department of Economic Development and Trade to support the delivery of this program, yet despite local government support along with industry demonstrated need, the request to the state government for funding was refused.

Coinciding with the development of the *Waste to Wealth* program, the Australian Business Arts Foundation (AbAF) supported *Applied Ideas* /Craftsouth to secure the mentoring services of John Irving to assist in the writing of a substantial business plan. At that time John was one of the Directors of Sims Partners, a highly respected accounting firm and an industry leader specialising in turnaround, workouts, due diligence, business reconstruction, insolvency, forensic accounting, business valuations, personal insolvency (bankruptcy), litigation support and corporate recovery.

The timing of the applications for seed funding to support this initiative coincided with both the federal and state Industry and Trade and Regional Development agencies undergoing significant restructuring. Thus the internal champions within both agencies no longer had the ability to advocate for the pending funding applications for *Applied Ideas* to deliver this program. Despite *Applied Ideas* obvious preliminary success and proven worth to all involved in the process, our request for $40,000 in funding was refused.
Government arts agencies saw *Applied Ideas* as too commercial, and therefore at odds with the staid arts funding model; and economic development agencies viewed business proposals stemming from the arts sector as risky.

During my time working at Craftsouth I was continually reporting to government funding agencies (predominantly arts focused), discussing with them the potential and need for government arts agencies to extend their funding and support frameworks beyond the traditional not-for-profit arts model to provide opportunities for the development of creative concepts that were generated from a craft and design based practice; in particular those that could be commercialised to enable the artists/designer/craftsperson to generate a more sustainable income. The ethos of this strategy emulated Don Dunstan’s aspirations in his establishment of the Jam Factory in the 1970s.

Whilst this proposition was acknowledged at an intellectual level many within government arts funding agencies were unable to envision a way to support this notion despite the growing use of the terms cultural and creative industries, implying commercial activity. To many working in the arts, commercialisation of creative/cultural product in market terms was at odds with the philosophy of much of the funded not-for-profit arts sector and the policy and funding framework that had supported it for decades.

This perpetuation of the funding status quo despite a clear change in the type of support needed by creative enterprises as well as many in the small to medium enterprise (SME) manufacturing sectors, led me to advocate for a revision of the narrowly applied arts policies and support instruments that were available to assist the creative sector from the not-for-profit to the applied arts and design sectors to develop sustainable enterprises.

My argument focused on the opportunity for the arts and creative sectors to be seen and valued as adding more than just tourist spectacle to the economy. Rather, I, as well as many of my peers in similar organisations and positions nationally, argued that creativity in all its guises when applied in the right circumstances can stimulate innovation and new market opportunities for a diverse array of industries. Therefore the arts and creative enterprises should not be seen as separate to the broader economy and a
drain on tax dollars, but rather their value should be acknowledged because of their potential and capacity to provide creative responses and solutions to our social, environmental and economic needs.

The policy documents that I was reading and to which I was referring as I developed my argument for revised funding programs revealed to me the extent to which ‘knowledge’, ‘creativity’ and ‘innovation’ were increasingly being seen to play a role in fostering regional economic and employment development. Policy makers from outside of the arts sector, such as those focused on the manufacturing industries, ICT, tourism, education were beginning to frequently use terms like ‘creativity’ and ‘innovation’ in their policy documents.

Despite creativity’s increasing acknowledgement and inclusion in economic development policy rhetoric at the time, it was clear that there was little understanding or consensus of where creativity in all its guises resides within the economy or how it could be supported in making significant contributions to environmental, social and economic plans and debates. This was compounded by a lack of empirical evidence that could demonstrate the multiple forms of value contributed by creative individuals, enterprises and institutions. In addition, the policy documents stating the importance of creativity to economic development lacked clarity of purpose and did not explain how exactly they would implement their policy objectives or which government departments would be responsible for fostering the development of creative capital and enable creativity to contribute to South Australia’s economy on a sustained basis outside of arts focused Festivals and events.

This disjunction led me to examine the conceptualisation of creativity and the perceived role of creative individuals and enterprises within South Australia’s policy discourse, both within and outside of the traditional arts and cultural sectors.
Section 1

Setting the scene

The history we experience is the result of the ideas we pursue
(Dwight Waldo 1952, p. 99)
Setting the scene

Visions of creativity as an economic driver: A South Australian narrative

Traditional conceptualisations of creativity have recognised it as the primary element contributing to artistic and aesthetic production emanating from high art practice such as opera, ballet and the visual and literary arts, where the artistic or creative outcome produces experiences that are affective. Contemporary conceptualisations of creativity and the discourse that surrounds it however have broadened to equate creativity with problem solving, invention, innovation and divergent thought.

While the traditional and the contemporary views may be regarded as divergent, with the latter having a harder edge and being overtly associated with national and regional economies, the truth is that within both of these conceptualisations of creativity lies a diversity of forms and outputs relying on inventiveness and imagination. Creativity adds both tangible and intangible value to a community’s social, cultural, environmental and economic dimensions. It is a process, wherein its economic value relies on its application and the influence of and on the actors that produce and consume the products and services inspired by the creative process. Potts argues that creativity and what has come to be called the creative industries contribute to not just value-added products, services and jobs, but more importantly, to the evolutionary process by which economic systems grow (Potts 2007, p. 9).

As governments have begun to recognise the importance of creativity as a contributor to economic growth, there has been a corresponding increase in the amount of academic research and policy discourse seeking to understand how and to what degree creativity and the creative industries contribute to economic development. Academic discourse stems predominantly from two distinct academic fields: economic development and innovation theory, and cultural economics. In addition to the discourse stimulated by these fields of knowledge, the arts, design, and cultural sectors have all undertaken advocacy based research and produced reports that seek to demonstrate their form of applied creativity’s contribution to the mainstream economy, hoping to justify government investment in the development of their industry sectors. This diversity of approaches to
understanding how creativity and the creative industries contribute to economic development has resulted in a tangle of policy perspectives, strategies and investments to foster creativity as a means to strengthen South Australia’s economy.

1.1 The purpose of the study

In South Australia during the 1990s, organisations, including the Capital City Committee\(^1\), Office for Volunteers\(^2\), the Thinkers in Residence program\(^3\), Social Inclusion Unit\(^4\) and the Festival of Ideas\(^5\) all argued that the state’s future prosperity was tied in important ways to the extent to which the state could sustain and foster creativity and innovation.

This thesis examines how conceptual contestation surrounding notions of creativity’s economic contribution through arts and cultural activity, and the increasing recognition of creativity’s contribution to regional innovation and economic development strategies, is played out in an Australian context. With the adoption of creativity as a central element of South Australia’s Strategic Plan, a unique opportunity for such an examination arose.

The 2004 South Australian Strategic Plan – Creating Opportunity (SASP) was developed to provide an overarching, whole-of-government statement on the state’s strategic priorities, and attempted to address the issue of individual agencies developing separate

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1 http://www.capcity.adelaide.sa.gov.au
South Australia’s Capital City Committee was established by State Parliament under the City of Adelaide Act 1998 (‘the Act’) in recognition that a vital and successful capital city is critical to the overall success of the State. The Committee focuses on the four priorities, namely developing Adelaide as a green city, a socially sustainable city, an education and learning city, and a city of creativity and ideas.

2 http://www.ofv.sa.gov.au/about.htm
The Office for Volunteers is part of the Department of Justice. It was formed in 2001. Their primary role is to provide advice to the Government for the development of policies to develop and support the South Australian volunteer sector.

Mike Rann the Premier of South Australia, invites two or three world-class thinkers to Adelaide each year to live and work. The Thinkers undertake residencies of 2 - 6 months, in which they assist South Australia to build on its climate of creativity, innovation and excellence. The Thinkers provide the State with strategies for future development in the arts and sciences, social policy, environmental sustainability and economic development.

4 http://www.socialinclusion.sa.gov.au
The Premier Mike Rann announced the Government’s Social Inclusion Initiative in 2002. The Unit is located in the Department of the Premier and Cabinet.

5 http://www.adelaidefestival.com.au
The Adelaide Festival of Ideas was first conducted in July 1999.
sectoral plans in isolation from each other. The six nominally interrelated objectives of the 2004 plan are:

- growing prosperity
- improving wellbeing
- attaining sustainability
- fostering creativity
- building communities
- expanding opportunity.

1.2 Concepts of creativity and the creative industries in South Australia

In order to understand how the conceptual contestation surrounding notions of the economic contribution of creativity have arisen, this thesis considers historical antecedents and their influence on contemporary interpretations and policy frameworks that seek to develop and support creativity’s contribution to defining regional identities and the broader economy.

Interest in the concept of creativity is widely varied. The word is used so often by so many people in so many contexts that researchers are obliged to identify the meaning they are attaching to the word. Although it is generally accepted that creativity leads to something new of value being created, what counts as new and what amounts to value depend on the context and the interpretation of the observer. The word has meaning in contexts as varied as cognitive science, technology, mathematics, education and economics, as well as arts and crafts.

From the 1970s until the late 1990s the South Australian government’s support for the state’s ‘creative’ sector resided solely within its arts and cultural agency – ArtsSA and focussed on the traditional artistic forms of visual arts, performing arts, literature and film, demonstrating an understanding of the concept of creativity that had been common since the Enlightenment.

When digital technologies entered artistic and cultural production following the advent of more powerful computers and sophisticated software in the late 1990s, creative individuals who engaged closely with the science and technology sectors captured the attention of governments and society in general. With the spread of computing and the widespread uptake of digital tools for the production of games, graphics, and design in everything from film, socks to spaceships including simulation development and
weapons technology in the defence industries in South Australia, the concepts of imagination, innovation and creativity began to find a high profile in global culture and industry and economic discourse. Government agencies that had not traditionally engaged with the cultural, arts/creative sectors began to articulate the importance of creative individuals and enterprises to innovations within business and industry.

This increased interest in the role of creative individuals in contributing innovations, as well as the increasing demand for creative content for the digital media industries, ultimately stimulated three South Australian government agencies (Arts SA, Department of Premier and Cabinet, Department of Trade and Economic Development & Department of Further Education, Employment, Science and Technology) to commission a report seeking to measure the contribution of creativity to South Australia’s economy.

The brief for the report called for an econometric approach to understanding what had come to be termed the ‘creative industries’.

The authors of the Creative Industries in South Australia (2005) report responded pragmatically to issues of definition of the creative industries, perpetuating definitions based on administrative convenience, similar in fashion to the UK Creative Industries Task Force (2000) which had applied a limited econometric analysis model in seeking to gain a measure of the creative industries contribution to the economy in the UK.

As observed by Creative Clusters, the network of experts in cultural development based in the UK:

Aspects of creativity [artistic /scientific] have diverged so much in our minds that we now see them as distinct, even incompatible, kinds of activity, with different types of learning, behaviour and language. It can be seen in universities, with their separate schools for arts, science and business, in government departments and in the long-standing isolation of business from the arts. (Creative Clusters Ltd. 2002)

As a result of utilising a traditional linear industry model as an analysis framework, the UK’s Creative Industries Task Force reported that the digital media sector was the creative sector with the most potential for wealth and job creation. Using the same definitional parameters and value analysis model, the Creative Industries in South Australia report clearly articulates a bias towards creative sectors that are closely connected to the
science and information technology industries, more specifically; businesses based in the
digital media sector. Other sectors exhibiting creativity are considered only tangentially.

Defining where and how a geographic or economic region’s creative capacity is applied
by adopting definitional boundaries drawn from other regions, standard industry
analysis frameworks founded on distinctions between knowledge, and industry and
enterprise typologies limits rather than provides an opportunity to develop a more
nuanced and regionally specific understanding of the creative industries. Cultural
statistician Professor Sara Selwood (2002, cited in Holden 2005) states that:

> Until the collection and analysis is carried out more accurately and objectively, and until
> the evidence gathered is used more constructively, it could be argued that much data
gathering in the cultural sector [creative industries] has been a spurious exercise. (p. 6)

Despite the increasing focus on the digital media enterprises in South Australia’s creative
industries nomenclature, there appear to be disconnected conceptualisations, policy
responses, and investments in fostering creativity.

1.3 A script for creative policy responses or simply policy rhetoric?

Offering a broader understanding of the role creative individuals and industries play in
regional economic development, two notable academics, Charles Landry and Richard
Florida, have been particularly influential in South Australia. Both have articulated the
importance of creative individuals to regional economies. Accordingly, their arguments
have provided fuel for arts, design and cultural advocacy groups, as well as significantly
influencing the content and language of numerous regional economic regeneration policy
documents in Australia and South Australia.

Since the early 1990s Charles Landry’s work on city futures and the use of culture in city
revitalisation; cultural planning and heritage, strategic policy development, and the
cultural industries has led him to become internationally recognised for his knowledge,
ideas and techniques aimed at generating community vision to stimulate urban and
economic regeneration of cities and regions. Two major strands of ideas and concepts
have shaped Landry’s understanding of the role of creativity in urban planning and
sustainable cities; those being, the power of ideas and thinking; and the importance of
culture as a creative resource. He states:
Creativity is the method of exploiting these resources and helping them grow. (Landry 2000, p. 7)

Landry (Landry 2000, p. 14) describes creativity as a journey, not a destination, and is influenced by Egan’s observation that creativity is an attitude of mind, ‘a particular flexibility which can invigorate all mental functions’ (Egan 1992, cited in Landry 2000, p. 14). Inspired by Czikszentmihalyi’s (1996) writing on the evolution of creativity and culture, Landry (2000) asserts that culture and creativity are intertwined. He states:

*Culture is panoply of resources that show that a place is unique and distinctive.*

*...Cultural resources are the raw materials of the city and its value base........*

*Culture, therefore, should shape the technicalities of urban planning rather than be seen as a marginal add-on to be considered once the important planning questions like housing, transport and land use have been dealt with. By contrast a culturally informed perspective should condition how planning as well as economic development or social affairs should be addressed.* (p. 7)

Richard Florida has drawn from wide ranging academic fields, including his own work on regional economic development, to identify the factors that make some cities and regions grow and prosper while others decline. In 2004 he was invited to speak in Adelaide by the Committee for Economic Development Australia, (CEDA) and whilst visiting, he also met with policy makers from the Department of Premier and Cabinet, in particular the team responsible for the consultation and writing of the *South Australian Strategic Plan*. Of particular interest to them was Richard Florida’s *creativity index*. Richard Florida argues:

*Creativity is essential to the way we live and work today and in many senses always has been.*

*...creativity involves distinct kinds of thinking and habits that must be cultivated both in the individual and the surrounding society ...*

*Furthermore, creativity requires a supportive environment that provides a broad array of social and cultural as well as economic stimuli. It is thus associated with new work environments, lifestyles, associations and neighbourhoods, which in turn are conducive to creative work. Such a broadly creative environment is critical for generating technological creativity and the commercial innovations and wealth that flow from it.* (2003, p. 22)
Charles Landry and Richard Florida have both synthesised elements from the academic discourse and consulted widely on community concerns regarding economic and urban development strategies. Both have successfully promoted their analysis frameworks and advisory services to many regional governments seeking to revitalise their economies. In particular, they have emphasised the value of creative individuals and industries in driving economic development, and argued that regional economic success lies in viewing creative capital and the creative industries as central in the economic framework not at the margins.

Charles Landry was one of Adelaide’s first Thinkers in Residence, during which time he proposed to numerous politicians, policy makers, business leaders and community members that cultural and creative capital are essential for the regeneration of cities and economies (2003). Landry, amongst other notable contemporary academics, has inspired the conceptualisation and articulation of the fostering creativity targets in South Australia’s 2007 strategic plan, which states:

*South Australia has a reputation for innovation in science and in the arts. We understand that our prosperity depends on the imagination, courage, talent, and energy of our citizens. We want to reaffirm South Australia as a place that thrives on creativity, knowledge, and imaginative thinking. This capacity to do things differently will determine whether we can achieve all our goals for the state’s future.*

(Department of the Premier and Cabinet 2007)

Despite the clarity and ambition expressed in the statement above, surprisingly little debate has occurred within or between policy makers and creative industry stakeholders, nor has there been innovation in terms of how to measure creative performance or in the development of tools in the attempts to gain a more nuanced understanding of the role creative enterprises (either for profit or not for profit) play in South Australian society and the economy more broadly.

1.4 Conceptualisations of creativity’s role in the economy: A mix of cultural, economic and social assumptions

As Oakley (2006, p. 271) suggests, the particular mix of cultural, economic and social assumptions buried in the term ‘creativity’, need to be unpicked and critically examined if we are to progress in economically developing the creative industries. John Holden (2007) suggests that:
The creative industries are still, in spite of all the attention that they have received, not fully conceived, explained, narrated or understood. At a fundamental conceptual level, the creative industries' idea veers between on the one hand being based on the creative capacities of individuals, and on the other being a categorisation of industry types. (p. 4)

However, regardless of the diversity of where and how creativity is applied in the economy, Holden (2005) argues that ‘definitions flow from administrative convenience and do not accord with an everyday understanding and experience of the term’ (Holden 2005, p. 5).

To challenge the empirical models of industry analysis that have informed and dominated the definitional parameters of the cultural and creative industries, Holden’s (2006a, p. 26-31) analytical framework focuses on culture and the cultural industries, and the type of value their activity generates.

Holden’s (2006a) framework for conceptualising the value that cultural and creative production contribute to the economy has provided this research a lens through which the influence of the social, political, and cultural character of a region can be viewed in terms of the types of public and economic value generated by creative individuals and enterprises, and the policy responses seeking to foster creative activity.

Susan Oakley (2006), like John Holden before her (2005, p. 3) stresses the importance of constructing an understanding of culture and creativity and their role in people’s lives that acknowledges that creativity contributes multiple forms of value to individuals and communities. Stemming from this perspective and also acknowledging that economic policy influences everyday life and a community’s understanding of value, the current research examines where and how arts and cultural discourse have intersected with the discourse surrounding the New Economy and endogenous growth theory. This will provide an understanding of how conceptualisations and value perceptions of creativity have developed over time (particularly in recent decades) and how they have influenced South Australia’s choice and investment in policy instruments seeking to foster creativity as part of the state’s economic development strategy. In turn, it is hoped this reflection will lead to the consideration of more broadly conceived and applied policy mechanisms that can support South Australia’s ambition to reaffirm itself as a place that thrives on creativity, knowledge, and imaginative thinking.
Jason Potts (2007), an academic seeking to highlight the benefits of drawing disparate knowledge domains together in order to generate regional economic development, proposes that we consider the ‘creative industries’ as part of the mechanism of a ‘creative system’ and states:

> It is conventional to represent the arts and creative industries as suppliers of cultural goods and services. Yet this may be systematically underestimating their contribution to ‘the economy’. (…) Because the CIs [creative industries] also produce another class of outputs, namely innovation. (Potts 2007, p. 3)

Creativity is a process, the economic value of which relies on its application and the influence of and on the actors that produce and consume the products and services inspired by the creative process. Holden (2005) suggests:

> The cultural sector, including the creative industries, in many ways forms a continuum – not least in the flow of ideas and inspiration from the art and heritage areas into industry supply chains – and that the distinction between them is somewhat arbitrary. (p. 8)

1.5 The research questions and organisation of the thesis

This thesis is divided into four sections. Section 1 introduces the researcher’s observations of conceptual contestation surrounding notions of creativity’s economic contribution through arts and cultural activity, and the increasing recognition of creativity’s contribution to regional innovation and economic development strategies. Sections 2 and 3 contain case studies that establish the theoretical and policy contestation surrounding conceptualisations of creativity’s contribution to an economy and set the context for examining the final case study in Section 4. This major case study examines the fostering creativity targets within the South Australian Strategic Plan. Each case study investigates aspects of the research questions through John Holden’s (2006a) framework for conceptualising the value that cultural and creative production contribute to the economy. The research questions seek to answer:

> How have historical antecedents informed differing conceptualisations of creativity’s role in the community and its value to the economy been reflected in the current definition of the creative industries South Australia?

> How has the academic and policy discourse surrounding creativity’s role and importance in regional economic development been applied in conceptualising the creative industries place in the South Australian Strategic Plan? Moreover, do the
Fostering Creativity objectives and targets within the South Australia Strategic Plan convey a broad or narrow understanding of creativity and the creative industries capacity to contribute to South Australia’s economy?

Has the discourse surrounding the importance of creativity to economic development been translated within the SASP and encouraged the state’s ‘capacity to do things differently’ (SASP 2004, p. 3.), or are the objectives, targets and strategies to achieve this objective conceptually and rhetorically a creative quick fix?

Section 2 identifies and examines historical antecedents and academic discourse that has influenced conceptualisations of creativity’s role and value in the economy. Though an historical lens chapters 3 and 4 examine the perception and influence of creativity, creative individuals, and enterprises on the social and economic development of communities and geographic regions.

This examination intends to draw attention to the antecedents that have contributed to and influenced contemporary understandings and approaches to supporting the development of artists and cultural production and the more recent attempts at defining the creative industries in South Australia.

In this section is a case study that examines The Creative Industries in South Australia (2005) report using Holden’s triangulation of values as a conceptual analysis framework. Question 1 asks:

How have differing conceptualisations of creativity’s role in the community and its value to the economy been reflected in the current definition of the creative industries South Australia?

Section 3 focuses on the multiple strands of discourse considering the New Economy. Using Van Reenen’s (2001) Key Features of the New Economy as a loose framework to identify key topics of focus the case study within this section examines significant national and South Australian reports and policy documents that engage with the discourse surrounding the importance of creative individuals and creative industries in stimulating and contributing to economic development.

Chapters 5, 6 and 7 examine a cross section of arts and cultural studies and cultural economics discourses that have informed the development of frameworks to define, understand the dynamics, and measure the contribution that creative individuals, creative enterprises (collectively now named creative industries) make to regional economies. John Holden (2007) suggests that:
The creative industries are still, in spite of all the attention that they have received, not fully conceived, explained, narrated or understood. At a fundamental conceptual level, the creative industries’ idea veers between on the one hand being based on the creative capacities of individuals, and on the other being a categorisation of industry types. (2007, p. 4)

Section 4 of this thesis examines South Australian policy documents and instruments aimed at fostering creativity. A unique opportunity for such an examination arose when the objective of fostering creativity was adopted as a central yet discrete element of South Australia’s strategic plan. Critical discourse analysis (CDA) was used to consider the conceptual and value biases towards creativity’s role and contribution to South Australia’s economic development.

The examination of the case study in this section of the thesis adopts aspects of Schein’s (1992) methodology that divides analysis of organisational culture into three levels (the artefacts, espoused values, and basic value assumptions) to examine the South Australian Strategic Plan (SASP) in order to answer the following questions:

How has the academic and policy discourse surrounding creativity’s role and importance in regional economic development been applied in conceptualising the creative industries place in the South Australian Strategic Plan? Moreover, do the Fostering creativity objectives and targets within the South Australia Strategic Plan convey a broad or narrow interpretation of creativity and the creative industries capacity to contribute to South Australia’s economy?

Has the discourse surrounding the importance of creativity within new growth theory been translated within the SASP and encouraged the state’s ‘capacity to do things differently’ (SASP2004, p. 3.), or are the objectives, targets and strategies to achieve this objective conceptually and rhetorically a creative quick fix?

Plotting the SASP Fostering Creativity objectives, targets and strategies on a matrix that considers the articulation of the role and value of creativity within the SASP provides a means of representing the analysis outcomes against key themes within the multiple discourses that consider how creativity contributes to regional economies. This approach was taken with the view that this analysis might point to biases and stimulated an appreciation of how a broader and less exclusive interpretation of creative activity can contribute to achieving all of the six objectives contained within the South Australian Strategic Plan, and realise its ambition of doing things differently by investing in fostering creativity on an economy wide basis.
1.6 The case study as a research strategy

The case study method is an empirical inquiry, suitable for studying complex social phenomena. Case studies provide a systematic way of looking at events, of collecting data, analysing information, and reporting the results. In the context of a single case or collection of cases, a researcher may gain unexpected insights into the events being investigated, is able to form and examine questions simultaneously.

Chetty (1996, p. 82) describes the distinguishing characteristics of case study methods is that they attempt to examine: (a) a contemporary phenomenon in its real-life context, especially when (b) the boundaries between phenomenon and context are not clearly evident. Types of case studies might be: explanatory, exploratory, or descriptive, but to provide useful evidence to inform and support policy decisions, all cases require the narrative to be organised around specific propositions, questions, or activities. Additionally case study method enables phenomena to be ‘studied from multiple perspectives rather than the influence of a single variable’. Thus the adoption of a case study method allowed exploration of differing strands of academic, advocacy and policy discourse that have influenced the notions of creativity’s value and the role it has been ascribed within South Australia’s Strategic Plan.

1.6.1 Identifying the policy problem

Howlett & Lindquist (2004) observe that policy problems are often complex and comprise many different elements together with many different political arguments and actors participating in more than one discourse at a time. By implication, analysis of policies from differing government agencies required analysis stemming from multiple theoretical disciplines in order to identify influential academic and advocacy discourse and understand individual policy agendas and the choice of policy solutions. This is particularly relevant when considering the tangle of academic, policy and advocacy discourse that has influenced and informed the inclusion of fostering creativity as one of South Australia’s six strategic objectives in developing the South Australian economy.

Within this contested policy environment from both political and agency based competition, Markusen (1999, p. 870) draws our attention to ‘fuzzy concepts’, in which examinations of regional development are observed merely as characterisations of the
causes of regional economic growth. A fuzzy concept of particular concern to Markusen (1999) is the role of creativity and the creative industries in the economy. Her analysis from an economic geographer’s perspective has led her to note that the role of institutions and cultures has been so abstracted that they are commonly referred to as ‘contingencies’ and placed at the boundaries of analysis. Furthermore, she argues:

>The displacement of agents and actions by process nouns entails a shift away from the study of actors, bureaus and social groups, the structures within which they operate, their actions and outcomes, toward a discourse in which processes themselves become the causal agents. (Markusen 1999, p. 870)

Addressing a similar concern, Oakley (2006) notes:

>The term ‘creativity’, now tends to be accorded a special status in terms of the economy. This is problematic, as we do not have a clear enough notion of what ‘creativity’ constitutes in economic terms and it is not synonymous with innovation or novelty. (p. 257)

Within this conceptual and structural fuzziness Oakley (2006) highlights the tensions that have occurred in policy discourse that consider the creative industries as a source of economic growth and simultaneously a source of social inclusion. Oakley (2006, p. 260) reflects upon Hesmondhalgh and Pratt’s (2005) observation that the media and cultural policy (read creative industries policy) stem from a neo-liberal perspective that supports the supremacy of markets and its preference for private over public approaches, whilst also retaining elements of older traditions and rationales for government support of art and culture, including social authoritarianism, paternalism and social democracy.

Trying to clear the conceptual fuzziness and draw creativity, culture and creative enterprise back into the core of regional economic development policy and strategies is burdened by an historical layering of language, a multiplicity of knowledge bases and conceptualisations considering the role and value creativity, culture and creative enterprises provide to regional economies. As Ostrom (1975) recognises:

>if knowledge is to be organised and shared by a [policy] community … the reconstruction of an improved language to explain the findings that were not amenable to explanation in a priori language system, it is necessary they supply themselves with a set of improved tools. (Ostrom 1975, p.277)
The case study in Chapter 8 seeks to disentangle the espoused values, basic assumptions and value measures surrounding creativity’s stated importance within the South Australian Strategic Plan. In addition, it enables examination of whether the stated policy aim for South Australia to do things differently and foster creativity is supported by the definition used to identify the creative industries in South Australia and the strategies and targets contained in South Australia’s Strategic Plan.

Howlett and Ramesh (2003) observe that examination of policy objectives against their stated desired outcomes:

Must contend with the reality that policies do not often state their objectives precisely enough to permit rigorous analysis of whether they are being achieved. Moreover, the same policy may be directed at achieving a variety of objectives, without indicating their relative priority, thus making it difficult to find out if a particular objective is being achieved. (p. 213)

In addition, Howlett and Ramesh recognise that each policy has effects on areas other than those intended ‘which a comprehensive evaluation must consider but which may make the task of evaluation unmanageable’ (ibid, p. 213).

To this end Howlett and Ramesh (2003) offer strategies for analysing the five stages of the public policy process by addressing a distinct set of questions about actors, institutions, instruments and ideas. The analysis of the South Australian Strategic Plan (SASP) within this thesis asks who or what had informed the conceptualisation of creativity’s role and value within a particular policy objective, stated target within the strategic plan and the policy instruments chosen to achieve the stated target.

1.6.2 Gathering the case study data

Coinciding with the initial literature review prior to commencing this thesis, key individuals were interviewed from South Australian state and local government agencies including: The Department of the Premier and Cabinet (DPC), Arts SA, the Department of Further Education, Employment, Science and Technology (DFEEST), and the Department of Trade and Economic Development (DTED), and the Adelaide City Council to inform the collection of the policy documents and reports that provided the artefacts for the analysis for the case study.
1.6.3 Policy analysis: Finding a key to explaining the normative effects of policy decisions and their programs

*The history we experience is the result of the ideas we pursue. (Dwight Waldo 1952, p. 99)*

Reich suggests that exploring the ideas that are the foundations and fundamental media of all policy conflicts is key to explaining the normative effects of policy decisions and their programs (Reich 1988).

Fischer (2003) argues that narrowly concentrating on the rules of research design and statistical analysis often passes as empirical rigour. He suggests:

*The multi-methodological approach of the post empiricist opens the door to a more subtle and complex form of rigour. (p. 219)*

**Empirical policy analysis – facts or a preferred narrative?** The orientation towards and belief in the superiority of scientific decision-making (empiricism) has supplied the epistemological ideals of the contemporary social and policy sciences and supported the prevailing focus on the instrumental use of a ‘scientised’ (Schwandt 1997, cited in Sanderson 2002, p.6) quantitatively focused research and analysis of policy and the effects of policy instruments. A by product of this position and analysis methodology has acted to legitimise the study of economics as a science, thus reinforcing its authority within an institutionally constructed hierarchy of the respective value of different knowledge typologies.

Critical of the exclusively empirical industry and policy analysis approach, Brunner (1997) argues that positivism assumes that only the empirically observable can contribute to knowledge, only a limited number of discrete factors matter and that these factors often operate independent of context, subjectivity and value considerations.

The overriding preference for empirical economic analysis, and the gathering of ‘facts’ to inform policy development suggest that policy analysis is undertaken to support the espoused values of a particular policy argument and investment. Meredith Edwards (2004) makes a salient observation outlining an all too common approach of policy makers, especially in times prior to elections, that research needs to be much more than a mere afterthought or a post hoc justification for a predetermined policy position.
Moving beyond empirical analysis. Another means of providing stability and predictability for politicians and policy makers is to use empirically focused forms of policy analysis. This form of econometrically biased analysis is amenable to policy makers seeking stability because it provides and promotes objective generalisations about policy as opposed to qualitative policy analysis methods that aim to tease out the inherent variables in value produced by an industry.

The perpetuation and apparent bias towards econometric analysis of policy outcomes provides only a shallow form of industry analysis. This limits the development of a more nuanced understanding of industries such as the creative industries that produce both tangible and intangible benefits to the community and economy, consequently limiting the contemplation of more ambitious and beneficial policy responses.

A leading academic in debates on post-empiricist policy analysis and deliberative politics, Frank Fischer (2003) argues that the policy sciences have been dominated by an empiricist tradition of policy studies which favours hypothesis driven research and quantitative analysis that seeks to separate facts and values and settle rather than stimulate debates (Fischer 2003, pp. 2-4). Similarly, Hajar and Wagenaar (2003) argue that employing the traditional positivist method of policy analysis will not enable contemporary industrialised societies to analyse the multiple factors that contribute to policy problems. Fischer (2003) criticises the positivist or empiricist approach and states:

In the policy sciences the attempt to separate facts and values has facilitated a technocratic form of policy analysis that emphasizes the efficiency and effectiveness of means to achieve politically established goals. Much of policy analysis, in this respect, has sought to translate inherently normative political and social issues in to technically defined ends to be pursued through administrative means….Often associated with this orientation has been a belief in the superiority of scientific decision-making. (Fischer 2003, pp. 4-5)

Commonly the effectiveness of policies, and the instruments used to implement them are measured by quantitative methods. Post empiricist policy scholars such as Fischer (2003), Yanow (1993, 1996, 2000), and Dryzek (1981) argue for a holistic approach to policy analysis that is sensitive to meaning, context, and human subjectivity. Dryzek (1981) cites Dunn’s (1981) description of the role and methods of policy analysis that states:
Policy analysis is an applied social science discipline which uses multiple methods of inquiry and argument to produce and transform policy-relevant information that may be utilized in political settings to resolve policy problems. (Dunn 1981, p.35, cited in Dryzek 1981, p. 310)

Policy makers and the policy processes they employ are both informed by and inform part of the political environment. Thus examining the evolution of particular policy spheres, the economic and social contexts in which policies evolved and currently exist. Using John Holden’s triangulation if values and the influence of the differing values ascribed to certain types of knowledge, creative activity and areas of policy focus, was the primary focus of the case studies in this thesis.

**Policy language – a layering of perspectives, values and meaning.** Gee (1999, p. 1) states ‘language-in-use is everywhere and always political’. He explains his use of the word political in that it means ‘anything and anyplace where human social interactions and relationships have implications for how ‘social goods’ are or ought to be distributed’.

Hajer (1993) observes that:

> The linguistic turn … provides the policy analysts with useful … tools to analyse how certain relationships of dominance are structured and reproduced. The study of language and discourse opens new possibilities to study the political process as ‘mobilisation of bias’. (p. 45)

Furthermore, he states:

> Determining the way a phenomenon is linguistically represented [the metaphors chosen] has repercussions for the politically essential questions such as, who are responsible; what can be done; what should be done. (ibid)

Castles 1990; Kagan 1991 and 1996; Vogel 1986; Eisner 1993 and 1994; Harris and Milkis 1989, (cited in Howlett and Lindquist 2004, p. 11) assert that ‘the policy analysis function is influenced by the precepts of the governance and administrative model constituting its operating environments’. To provide stability and predictability around the articulation, administration, investment and analysis of the implementation of policies, policy responses and the documents that promote them in the majority of cases are contained within clearly defined agency based policy silos invariably in which research and policy departments are populated by individuals possessing a particular knowledge base and therefore likely to express biases towards methodologies and validity of certain knowledge types directly associated with their educational history
John Dryzek (2001) observes:

\[ A \text{ policy discourse will always feature particular assumptions, judgements, contentions, dispositions, and capabilities. (p. 658)} \]

Schein (1992) considers the influence of organisational culture on conceptualisation of issues arising within that organisation. Schien (1992) defines the culture of an organisation or group as:

\[ A \text{ pattern of shared basic assumptions that the group learned as it solved its problems of external adaptation and internal integration, that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems 'that 'culture' is the primary source of resistance to change. (p.18)} \]

Schein (1992) divides organisational culture into three levels:

- **artefacts**: These are at the surface, those aspects (such as dress) which can be easily discerned, but are hard to understand.

- **espoused values**: Beneath artefacts are ‘espoused values’ which are conscious strategies, goals and philosophies.

- **basic assumptions and values**: The core, or essence, of culture is represented by the basic underlying assumptions and values, which are difficult to discern because they exist at a largely unconscious level. Yet they provide the key to understanding why things happen in a particular way. These basic assumptions form around deeper dimensions of human existence such as the nature of humans, human relationships and activity, reality and truth (Figure 1.1).
The following interpretation of Schein’s three levels of culture acknowledges that the relationship between and development of a policy agency’s basic underlying assumptions, espoused values and artefacts is influenced by and influences the sphere of economic activity within which it participates. Thus the artefact produced by policy makers is the documentation of the argument for policy choices, as well as the products and services implemented to achieve an agency’s particular policy objectives.
Bringing the organisation’s underlying assumptions and espoused values out in to the open – from internal organisational culture to communicating them to the outside world, are the discourses and artefacts that continually and recursively act on individual meaning making, the most enduring of which is through the operation of texts.

The artefact analysed in the case study in Section 4 of this thesis is the *South Australia Strategic Plan*, in particular the Fostering Creativity objectives, targets and strategies designed to achieve them. Elements of *critical discourse analysis* (CDA), as developed by Norman Fairclough and his colleagues (Fairclough, 1992, 2005; Fairclough & Wodak, 1997) were used in the examination of the document. Fairclough had developed the concept of CDA as a response to earlier analytical approaches that he felt focused too narrowly on the micro-linguistic aspects of discourse while neglecting its more macro social aspects (cited in Phillips et al 2008, p. 773). Potter and Wetherell (1987) observe:

*Critical discourse analysis posits three categories of social phenomena that are produced out of this relationship between text, discourse, and social context. First,*
subject positions are locations in social space from which actors produce texts. …with some individuals warranting a louder voice than others, whereas others may warrant no voice at all. (Potter & Wetherell, 1987, cited in Phillips 2008, p. 272)

Inhabiting certain subject positions affords actors a degree of agency in producing texts that may subsequently affect discourse.

Discursive acts that are intended to redefine concepts are attempts to fashion preferable social relations and depend for their success on resources—such as access to channels of dissemination and writing or rhetorical skills—that are available to the actors producing the text. (p. 273)

To this end Potter and Wetherell (2008) conclude that:

Creating and disseminating texts is, therefore, a highly political act. …that seeks to determine the nature of concepts and subject positions and to control how the resulting objects are understood and treated. (cited in Phillips 2008, p. 273)

The documents considered in the case studies of this thesis were written by policy makers who drew from external discourses imported to the organisation from the expressive sphere of culture where there exists an extensive and well-established discourse surrounding arts and cultural funding. The writers also drew on the Creative Industries in South Australia document and the discourse around new growth/endogenous growth theory. These sources assisted the authors of the SASP to establish intersubjective meaning that could help shape concepts, objects, and subject positions. The result is, not surprisingly, ‘an ambiguous and contested set of discursive structures full of contradiction and subject to continuous negotiations as to their meaning and application’ (Phillips et al 2008, p. 774).

In the context of this thesis critical discourse analysis provides an approach to understanding how the dominant logic, objectives, strategies and targets contained in the South Australian Strategic Plan seeking to foster creativity have come to be and who was involved in its production.

The analysis of the SASP in Section 4 of this thesis is summarised in a matrix (Appendix 1). The horizontal axis highlights and enables comparison of the SASP’s values as revealed through its stated objectives and the assumptions inspired by the New Economy discourse, whether the objectives stated in the plan (artefact) express a broad or narrow view of the application of creativity in the economy; and whether the value
derived from supporting a specific form of creativity provides intrinsic, instrumental or institutional value; and whether the policy interventions and targets are innovative or path dependant. The following table illustrates the basic structure of the matrix used to summarise the analysis of the *South Australian Strategic Plan’s* articulation of Fostering Creativity objectives, goals and strategies.

Table 1.1 Basic structure of the matrix used to summarise the analysis of the SASP

<table>
<thead>
<tr>
<th>Artefact</th>
<th>Espoused value</th>
<th>Basic assumptions value of creativity/culture</th>
<th>Conceptualisation of creativity’s application</th>
<th>Policy innovation</th>
</tr>
</thead>
<tbody>
<tr>
<td>SASP objectives</td>
<td>goal/target strategy</td>
<td>intrinsic</td>
<td>broad</td>
<td>innovative</td>
</tr>
<tr>
<td></td>
<td>philosophy</td>
<td>instrumental</td>
<td>narrow</td>
<td>path dependant</td>
</tr>
<tr>
<td></td>
<td>– key feature of the New Economy</td>
<td>institutional</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The deconstructive reading and interpretation of the *South Australian Strategic Plan* is not intended to provide unequivocal answers as to questions about where and how South Australia can revise its strategies to foster creativity, but rather the intention of this thesis is to reveal the underlying motivation and politics involved in arguing for or against a specific form of value analysis and policy response. It is hoped this will stimulate a more informed debate regarding creativity’s value in the economy and will highlight and raise awareness of bias and gaps in South Australia’s policy response to fostering creativity on an economy wide basis and hopefully the stimulation and contribution to a more informed policy debate, and implementation strategies and investments.

1.6.4 A conceptual framework for disentangling espoused values from policy actions seeking to foster creativity

Susan Oakley (2006), like John Holden before her (2005, p. 3) stresses the importance of constructing an understanding of culture and creativity and their role in people’s lives that acknowledges that creativity contributes multiple forms of value to individuals and communities, neither of which is more or less important than the other.

Creativity is a process, the economic value of which relies on its application and the influence of and on the actors that produce and consume the products and services inspired by the creative process. Holden (2005) suggests:
The cultural sector, including the creative industries, in many ways forms a continuum – not least in the flow of ideas and inspiration from the art and heritage areas into industry supply chains – and that the distinction between them is somewhat arbitrary. (p. 8)

Rather than try to constrain via definition the industries within which creativity and culture contribute to the economy, Holden (2005) suggests attention be paid to constructing an understanding of culture [and creativity] and its role in people’s lives that acknowledges all the types of values contributed, and then develop actions to support it in particular contexts (2005, p. 3).

Holden (2005) proposes a simple conceptual framework for understanding cultural value. His framework describes the values generated by culture as intrinsic, instrumental, and institutional. Intrinsic values, he states:

*Are the set of values that relate to the subjective experience of culture - intellectual, emotional and spiritually … It is this value that people refer to when they say, ‘I like this’, ‘It makes me feel good’ or ‘This tells me who I am’. (pp. 8-10)*

These kinds of values are often captured in personal testimony, qualitative assessments, anecdotes, case studies and critical reviews. Because of the subjective nature of the evaluation of artistic or cultural artefacts and its influence on perceptions of value, Holden (2005, p. 8) observes aesthetic questions have become confused with issues of class, privilege, and power⁶.

Instrumental values relate to the ancillary or ‘knock-on’ effects of culture [or creativity] where it is used to achieve a social or economic purpose. Examples Holden (2005; 2006a) cites include the amount of local employment created by tourist visits to a newly constructed gallery, or the exam results of pupils participating in an educational music project. He states:

*Much of the rationale for funding of culture rests on an appeal to its effectiveness in achieving instrumental aims. (Holden 2006a, p. 17)*

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⁶ To distance themselves for this criticism many government arts and cultural agencies including South Australia’s Arts SA have implemented a system of peer review committee to consider grant applications from artists and organisations and make recommendations to the Arts Minister for the funding allocations to be made.
And argues that instrumental value:

Tends to be captured in impact or outcome studies that document the economic and/or social significance of investing in culture [creativity], and is often, but not always, expressed in figures. (p. 8)

Institutional value relates to the processes and actions that cultural organisations adopt when they interact with the public. Holden (2006a) suggests that:

Institutional value is created (or destroyed) by how these organisations engage with their public and indeed with their own employees; it flows from their working practices and attitudes, and is rooted in the ethos of public service. (pp. 8-10)

Institutional value is evidenced in feedback from the public, partners and people working closely with the organisations in question. (pp. 17-18)

If as Susan Oakley (2006) implies that the differing types of value contributed by creativity are no more or less important than the other, therefore Holden’s triangulation of these three values implies that they are represented by an equilateral triangle. Holden (2006a) triangulates these three values and suggests that all three types of value ‘represent a kind of historical layering or interweaving’ (2006a, pp. 26-31).

The first triangle shows the three ways in which cultural value is generated (Figure 1.3).

**Figure 1.3** Illustrating Holden’s conceptualisation of the cultural value triangle and the relationship between intuitional, instrumental and intrinsic value produced by cultural activity (2006, p. 15)
In a second triangle (Figure 1.4), Holden sets out the relationship of the three parties involved in the cultural cycle: the public; the politicians; the professionals, where:

- The public vote for politicians.
- The politicians decide the legal and policy framework in which culture operates, and, crucially, determine the financial resources that they are prepared to commit.
- The creative professionals do their work, and offer it to the public for consumption.

Holden’s (2005, 2006a) triangulation of value provides a lens through which to observe social, political, and cultural character of a region and the value perceived to be generated by creative individuals. Holden’s (2005) analytical framework was adopted for this study to disentangle and point to the origins of differing conceptualisations of value surrounding creativity. As illustrated in Figure 1.5, Holden (2005) suggests that:

*Combining the two triangles gives a framework with which to understand where policy makers can act to generate the types of value that they seek to promote, because they open up discussion about the values that need to be taken into consideration, and how the interests of the various parties interact.* (p. 9)
By overlapping the two triangles (one concerning values and one concerning structures, institutions and fields of policy) Holden seeks to stress the symbiotic relationship between the creativity expressed through the cultural industries and creativity expressed through more commercially focused creative industries.

In addition Holden stresses the fundamental point that creativity is generated by people, therefore the diagram following represents this with the bold red arrow. Cultural and creative product is produced by creative professionals and drawn into the core of the intersecting triangles which then, through the translation into goods, services, artefacts of artistic intent and knowledge, contributes intrinsic, institutional and instrumental value to the community. Broadly speaking the community includes the public, the politicians and policy makers, as well as creative professionals. The economic benefits of creativity can be tangible as well as intangible to any one of the recipients individually and experienced differently by each of the three groups involved in developing and disseminating the fruits of creative and cultural production.
Figure 1.6 highlights the fact that creative activity and cultural production are fundamentally influenced by the social, institutional and environmental dimensions of a region and therefore this diagram serves to visually situate creative activity within the context of a regional sphere or system of economic activity, illustrating the predominant transfer between agents, including the public, creative professionals, politicians and policy makers.

Value is considered within the context of regionally specific orbiting spheres of economic activity contributing to a community’s cultural, environmental, social and economic development and sustainability. Within the orbiting concentrations of economic activity creative professionals contribute intrinsic, instrumental and institutional value through the production of their cultural artefacts, utilitarian goods and services (Andrew 2011).
Whilst Holden’s work focuses on culture and the ‘cultural industries’, the perspectives included in his value framework can equally be applied to a broader notion of creativity and the analysis of policy objectives and strategies that governments implement to support the attainment of those objectives. To this end Holden’s perspectives have been included as a lens through which to consider the conceptualisation of creativity within the theoretical discourse. The same perspectives also serve as an aid to analysis in the case study matrix that is used to summarise and plot the objectives, targets and strategies for fostering creativity in the *South Australian Strategic Plan*. 
Section 2
Towards a creative economy, whatever that means
The highly nuanced concept of creativity

This section seeks to answer the question:

*How have historical antecedents informed differing conceptualisations of creativity’s role in the community and its value to the economy been reflected in the current definition of the creative industries in South Australia?*

In order to accomplish this, the following chapters examine different conceptualisations of creativity, the creative process, and the role and value ascribed to creativity and the creative enterprises to the economy. In doing so, the antecedents to contemporary debates regarding the role and value of creativity and creative enterprise in the New Economy are revealed. Endogenous growth theory is also considered, as well as arts and cultural policy. Evidence is offered that a non-strategic mixing of attitudes toward creativity based on divergent knowledge about, and understanding of, the concept have influenced South Australia’s investment in the creative industries and limited the creative sector’s ability to contribute more holistically to South Australia’s economic development.

2.1 Defining creativity

In a report on the impact of culture on creativity, KEA: European Affairs (2009, p.2) note:

> Creativity is a powerful catch phrase. In Western societies, it epitomises success, the modern, trends for novelty and excitement. Whether linked to individuals, enterprises, cities or regions creativity establishes immediate empathy, and conveys an image of dynamism. Creativity is a positive word in a society constantly aspiring to innovation and ‘progress’. (p.2)

Throughout history, creativity expressed through the sciences, arts, crafts and cultural activity has played an important role in a region’s social and economic development. In the 18th century creative skills and economic endeavour were seamless – hence the establishment in 1754 of the Royal Society for the Encouragement of Arts, Manufactures and Commerce, now known as the Royal Society of Arts. John Holden (2007) observes:

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7 KEA is a Brussels-based strategic consultancy specialising in providing advice, support and research in relation to creative industries, cultural, entertainment, media and sport sectors since 1999.
As individual expression, less structured work patterns and heterogeneous social values are no longer incompatible with the expectations that surround earning a living, the creative industries offer a sustainable income to a greater number of people. We should expect the relationship between culture and creativity to be neither as straightforwardly connected as the lumping together of 'the arts, creativity and innovation. (p.10)

In the 1920s Wallas (1926) observed that the creative act involves four important steps: preparation, incubation, illumination, and verification (cited in Lubart 2001). Although debate exists about many of the assumptions made in the Wallas model, this four-stage model remains the basis for many academic frameworks that define creativity and examine the creative process. Extending the Wallas model, Taylor (1959, cited in Lubart 2001) studied the types of creative processes and their application and describes them as follows:

- **expressive** - where skill, originality, quality of execution are unimportant
- **productive** - skilled execution, a new level of proficiency for the individual
- **inventive** - the discovery of new, unusual relationships between previously separated parts; and ingenuity with materials, techniques and methods (often groups or 'schools' - e.g. schools of art)
- **innovative** - modifying the basis or principles of science or art: a talent demonstrated by the very few
- **emergent** - finding fundamentally new principles of science or art.

Runco and Dow (1999, cited in Lubart 2001, p. 297) suggest that many of the models of creativity developed since Wallas's observations have framed the creative process in terms of problem solving that can equally be applied by scientists or artists, as well as people in their everyday lives seeking to accomplish tasks and solve conflicts. However, this broader understanding of the diversity of ways creativity manifests itself seems not to have been absorbed within common community perceptions about creativity and creative people. It is common, in fact, for many in the community to regard creativity as a rare talent associated with the traditional visual and performing arts, and now, occasionally, the digital arts. Being 'creative' is also often associated with recreational activity, or 'being good with your hands', prompting notions that the Arts are fun. These generalised perceptions together with artists often being characterised as choosing a life...
of intellectual indulgence over a regular nine to five job implies that creative work is in some ways less serious and less valuable per hour than other work.

In research that has focused on determining what distinguishes creative individuals from those who are not, Ford and Harris (1992) believe that ‘creative individuals see what everybody else has seen but think what nobody has thought’. They offer the following definition of creativity: ‘creativity is a modifiable, deliberate process that exists to some degree in each of us. It proceeds through an identifiable process and is verified through the uniqueness and utility of the product created’ (p.53). Inclusion of the term utility implies a bias towards conceptualising creativity as primarily a rational decision process that leads to an outcome of extrinsic value to both the creator and audience. Using John Holden’s (2006) triangulated cultural value framework, extrinsic value would be considered as instrumental value.

Throsby (2001) argues that the bias towards creativity as the basis for a tangible product has emerged via two models of observing the role and value of creativity in the economy that stem from business and economic discourses. The first model breaks down the process of creativity into stages and functions leading to a definable goal; this Throsby identifies as decision analysis. The second model stems from economic discourse that conceptualises the creative process as constrained optimisation, whereby the creative individual approaches the act of creation through the rational maximisation of ‘individual utility subject to both internally and externally imposed constraints’ (pp. 95, 96).

Evans’s (2003) definition of creativity stems from a taxonomic basis where the type of creative process employed is determined by the discipline. He distinguishes between differing applications of creativity and divides where and how the creative process is applied into distinct activities such as:

- analysing and controlling the physical world: science
- setting up business processes and making wealth: management and entrepreneurship
- making things that communicate and interact with individual people: arts, or humanities.
2.1.1 Qualities of creative individuals

Observable in all cultures and eras, the social, political and institutional environment of a community influences the types of creative expression, the creative process and production methods, as well as the regard for and value of the creative individual and their works. Seltzer and Bentley (1999, p. viii) identify four key qualities of creative learners:

- the ability to identify new problems, rather than depending on others to define them
- the ability to transfer knowledge gained in one context to another in order to solve a problem
- a belief in learning as an incremental process, in which repeated attempts will eventually lead to success
- the capacity to focus attention in the pursuit of a goal, or set of goals.

They qualify this list by stating that these points contrast with more conservative notions of what it means to be creative, noting that creativity is not only considered an individual or innate talent but rather creativity ‘is the application of knowledge and skills in new ways to achieve a valued goal’ (1999, p. viii).

Influential in the creative industries discourse stemming from the 1990s John Howkins, (2001) suggests that creativity in all of its applications requires three ‘essential conditions: personality; originality and meaning’ (p.6). Unlike many others considering the act of creativity, Seltzer and Bentley (1999) do not imply the value goal of creative action is linked to utility, or suggest a value bias. Howkins (2001) states:

*People, not things, are creative. Creativity requires a person [or team of people] to see something, literally or metaphorically, and bring something into being...The product of the creative process can be either something completely new ... or the reworking of something that already exists, in the sense of giving character to something.* (pp. 6-7)

Thus it can be assumed that Howkins (2001) is suggesting it is the intrinsic value contributed by the unique perspective and creative process of the individuals who undertake the creative act that give objects or actions character within particular contexts and therefore value.

To support this perspective, Howkins (2001) refers to Amabile’s (1983) theoretical perspective regarding the element of subjective value of either individuals or groups that gives the creative product meaning and thus value. Unlike her peers researching
creativity via psychometric tests of an individual's creative potential, Amabile's consideration of creativity argues that the creative process and output, whilst often undertaken solitarily, are significantly influenced by social and environmental variables. Thus, the meaning and value of the creative product is arbitrated not only by the creative individual but by the social context in which it is undertaken and experienced.

2.1.2 The creative motive

The social environment not only influences perceptions of value, but as Amabile (1983, cited in Weisberg 2006), Sternberg and Lubhart (1995, cited in Weisberg 2006, chapt. 11) recognise, the social environment also acts as a motivating (or discouraging) influence on the creative individual or group.

Individuals and groups apply creativity across a breadth of disciplines and in numerous physical and social contexts. Ochse (1990, cited Weisberg 2006, p. 545) review of the literature identified a number of motivations attributed to stimulating or supporting the creative act that include both intrinsic and extrinsic value. The motivations include:

- to obtain mastery or to overcome ignorance
- to achieve immortality through one's work
- to make money to prove oneself to oneself and to others
- to attain recognition to attain self-esteem to create a thing of beauty
- to discover an underlying order to things.

2.2 Creativity as an element of economic, cultural and social capital

Social and cultural theorist Pierre Bourdieu (1986) is noted for his theoretical framework in which he conceptualises differing forms of capital. In The Forms of Capital (1986, p.46), Bourdieu argues that, depending on the field in which it functions, capital can present itself in three fundamental guises: as economic capital, which is immediately and directly convertible into money and may be institutionalised in the form of property rights; as cultural capital, which is convertible under certain conditions into economic capital and may be institutionalised in the form of educational qualifications; and as social capital, made up of social obligations ('connections'), which is convertible in certain conditions into economic capital and may be institutionalised into a title of nobility. Bourdieu (1986)
Bourdieu’s (1977) concept of habitus is a system of durable and transposable ‘dispositions’ (lasting, acquired schemes of perception, thought and action). The individual agent develops these dispositions in response to the determining structures (such as class, family, and education) and external conditions (field/s) they encounter (Bourdieu 1977). He argues that ‘capital which is in its objectified or embodied form takes time to accumulate’…and that ‘the structure of the distribution of the different types of capital at a given moment in time represents the immanent structure of the social world’ (Bourdieu 1986, pp. 46-50). Bourdieu (1986) insists that in order to understand the social world, it is necessary to ‘reintroduce capital in all its forms’ not just the form recognised by economic theory. He states:

Economic theory has allowed to be foisted upon it a definition of the economy of practices which is the historical embodiment of capitalism; and by reducing the universe of exchanges to mercantile exchange, which is objectively and subjectively oriented toward the maximization of profit, i.e., (economically) self-interested, it has implicitly defined the other forms of exchange as noneconomic, and therefore disinterested. (pp. 46-50)

Australian cultural economist David Throsby (2001, p. 58) refers to ‘a cultural ecosystem that underpin[s] the operations of the real economy’. He notes that the concept of cultural capital is in ‘individualistic form, very close to, if not identical with, that of human capital in economics’ (Throsby 2001, p. 49). Throsby (2001) offers a distinction between economics and culture and suggests that the economic impulse is individualistic and the cultural impulse is collective.

Like Bourdieu (1977, 1986), Throsby (2001) also raises the notion of representing both tangible and intangible manifestations of culture by the term ‘cultural capital’, which allows the representation of cultural activities, goods and services for both their economic and cultural contribution to society. Throsby (2001) distinguishes cultural capital from other more familiar types of capital such as physical capital, human capital and natural capital, and states:
Cultural capital can provide a means of representing culture which enables both tangible and intangible manifestations of culture to be articulated as long lasting stores of value and provides benefits for individuals and groups. (p. 44)

Throsby (2001) defines tangible cultural capital as ‘buildings, structures, sites and locations endowed with cultural significance and artworks and artefacts existing as private goods such as paintings, sculptures and other objects’ (p. 4). Intangible cultural capital is the ‘set of ideas, practices, traditions and values which serve to identify and bind together a given group of people... together with the stock of artwork existing in the public domain as public goods'. Within Throsby’s (2001) discussion of the economic contribution made by cultural capital he argues that it contributes both cultural and economic value whereas ‘ordinary capital provides only economic value’ (Throsby 1995; 1999; 2001).

John Howkins (2001) recognises capital as something that results from past investment and whose value lies in future uses. He argues the ability of a creative individual to translate intrinsic ideas and concepts into tangible cultural expression is determined by the degree of investment in accumulating skills and knowledge together with the influence of social and cultural experience. Furthermore, he argues that creative capital’s real value is demonstrated when ‘it is managed and made purposive’ (2001, p. 212). Creativity and creative capital, therefore, fit the criteria that allow them to be part of economic, social and cultural capital as expressed by Pierre Bourdieu (1986).

2.3 Where can we find creativity?

With some similarity to Amabile’s (1983) focus on considering the social psychology of creativity within a conceptualisation of creativity, Mihály Csikszentmihalyi’s (1996) studies on creativity focus on the creative process, the potential of its application and the filters and agents through which its value is defined.

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8 The unspoken assumption within Throsby’s theory is that cultural capital is distributed evenly throughout the community and is classless. Bennett, Emmison and Frow draw our attention to what they term ‘class marked divisions in attitudes, tastes and cultural practice’ that they are becoming increasingly politically consequential. Bennett, T., M. Emmison, et al. (2001). Social Class and Cultural Practice. Culture in Australia: Policies, Publics and Programs. T. Bennett and D. Carter, Cambridge University press.
Rather than seeking to understand the mechanics and sequence or ‘the science’ of the creative process, Csikszentmihalyi (1996) seeks to gain a more nuanced understanding of the role creativity plays in our economic and social life by examining not what creativity is but where it is. Csikszentmihalyi (1996) observed that it is the interrelations of what he conceptualises as a system made up of the three main parts - the domain; the field; the person. He states:

_We cannot study creativity by isolating individuals and their works from the social and historical milieu in which their actions are carried out. This is because what we call creative is never the result of individual action alone; it is the product of three main shaping forces - the domain, the field and the person._ (Csikszentmihalyi 1988, p. 325)

Csikszentmihalyi (1996) describes the domain, the field and the creative person thus:

- **the domain**
  - consists of a set of symbolic rules and procedures, i.e. symbolic knowledge or a culture shared by a group of people for example architects or a particular society
- **the field**
  - includes all the individuals who act as gate keepers to the domain
- **the person**
  - someone whose thoughts or actions transforms and existing domain (with the explicit support from the field responsible for it) or establishes a new domain

Figure 2.1 illustrates Csikszentmihalyi DIFI framework (D: domain; I: individual; F: field; I: interaction) in which he has revised the framework to illustrate the confluence of the three subsystems.
Examsining creativity from a similar perspective, Anna Craft et al (cited Potts 2007) points to the range of related terms used in describing creative activity which is largely dependent upon the academic discipline (or field) from which it is being referred. Economists tend to use ‘entrepreneurship’ and ‘enterprise’; sociologists use ‘innovation’, and psychologists and educators commonly use the term ‘creativity’.

With different fields conceptualising, applying, utilising and discussing the role and value of creativity with such diversity, it is hardly surprising that distinctions between perceptions and value of the creative process and its outcomes have grown according to the political and social status of the discipline or academic field in which the activity has taken place. The most notable divide in the interpretation of creative ‘action’ lies between the arts and the sciences.
2.4 The creative dichotomy: The divergence of the fine and mechanical arts and sciences

Within the historical context of changes to and the evolution of attitudes towards the concept of creativity, there has been a growing distinction between the ‘arts’ and ‘sciences’ stemming from about the 1700s. It is an important dichotomy and has resulted in a distinction between ‘the arts’ and ‘sciences’ and differences in perceptions of value ascribed to the ‘fine arts’ as opposed to the ‘applied arts’ or ‘mechanical arts’ and perceptions of creativity. This consideration sheds light on where and how espoused values surrounding the economic value of the sciences versus the arts originated, and how they have been perpetuated and articulated in contemporary economic and cultural policy and its instrumentalisation.

Cultural economist Harry Hillman Chartrand (1987) argues that the changing role of the arts in Western societies is intrinsically tied to social evolution. If this is the case it could be suggests that the role and value ascribed to the creative individual such as artists, artisans/craftspeople, architects and designer’s together with their most valuable individual assets creativity, knowledge and technical skill, in contemporary economic policy have been intrinsically tied to social and political value perceptions concerning differing knowledge typologies, and the prevailing economic ideologies and institutions that support these beliefs and ways of life.

Chartrand posits the increasing divergence between the fine and mechanical arts and the sciences during the latter part of the 18th century and early 19th century became most evident during the Enlightenment and the Industrial Revolution where the ‘scientific and utilitarian ethic triumphed [over] the individualised hand-made ‘subjective’ work of art’ (Chartrand 1987). This divergence was to influence perceptions of value contributions and the status of ‘creative’ individuals within the economy.

Steven Jay Gould in his book, The Hedgehog, the Fox and the Magister’s Pox (2003), explores the proposition that the 17th century bore the beginnings of the perception and often the reality that the sciences and the humanities stood in opposition to one another. Gould (2003) states he has remained puzzled by the:

*Continuously troubled relationships between science and [the] magisteria of our full being … the interactions between science and the humanities. (p. 15)*
He argues that similar goals and mental styles are applied by the arts and sciences in the process of creative thinking; and the only legitimate difference is in the ‘materials for study and the modes of validation’ (ibid., p. 17). Recognising that our current distinction between the sciences and the arts and humanities is largely a result of arbitrary and contingent reasons of past social norms and university practices, Gould questions the persistence of these discipline based taxonomies suggesting that they create false barriers that impede current understanding of the potential complementarities of knowledge in the sciences, arts, and humanities.

The discipline-based taxonomies have divided the process and spaces for education and learning. Seltzer and Bentley (1999) articulate a central challenge for the education system that many across the creative sectors (and other industries) in South Australia have identified. They observe that if students are to engage with an overcrowded curriculum that perpetuates a distinction between the arts and science, rather than a curriculum that structures learning around distinct subjects and problems, a more meaningful approach to teaching and learning is required. This would involve embedding the acquisition of knowledge and skills in a range of contexts, where students can use their knowledge and skills creatively to make an impact on the world around them. Within this educational utopia, creative skills and an ability to think laterally would, as Seltzer and Bentley (1999) suggest, require:

**the right balance between skills and challenge:**
Creativity emerges in environments where people are engaged in challenging activities and have the right level of skill to meet them.

**interactive exchange of knowledge and ideas:**
Creativity is fostered in environments where ideas, feedback and evaluation are constantly exchanged, and where learners can draw on diverse sources of information and expertise.

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9 Buchanan observes that ‘learning was divided into particular subject matters, each with a proper method or set of methods suitable to its exploration. At their peak as liberal arts, these subject matters provided an integrated understanding of human experience and the array of available knowledge…. existing subjects were explored with progressively more refined methods and new subjects were added to accord with advances in knowledge …’ (Buchanan, R. (1992). Wicked problems in design thinking. Design Issues 8(2): 5-21.)
real world outcomes:
Creative ability and motivation are reinforced by the experience of making an impact –
achieving concrete outcomes, changing the way that things are done. (p. ix)

2.4.1 Creativity as a core element of society, culture and the economy

The ways in which creativity and creativity’s value have been conceptualised within social, economic and cultural policy over time have been varied. Creativity has been a persistent element in societies, cultures and economies since humans evolved. It is a hallmark of our species, although not always necessarily named, recognised or defined, or even appreciated. In the late 20th and early 21st centuries, the concept has again entered the discourse of Western societies and governments looking for competitive advantage in a globalised economy.

Currently, the dominant idea of valuing creativity, not for the intrinsic worth of the output of creative individuals, but for the economic potential of that output, has had significant influence on the dimensions of and government investment in contemporary South Australian policy seeking to foster creativity as a tool for economic development. As Greif (1994) observes:

An historical snapshot of Creativity’s contribution to regional economic development past, present, and future economic growth is not a mere function of development, technology, and preferences. It is a complex process in which the organization of society plays a significant role. The organization of society itself, however, reflects historical, cultural, social, political, and economic processes. (Greif, 1994, cited in Woolcock 1998, p. 187)

The view that ‘creativity’ and the creative industries present an attractive panacea for regional economies in decline or transition has unarguably gained considerable momentum since the 1980s. However, there is tension in debates about how broadly or narrowly conceived the concept of the creative economy or creative industries should be. It is an argument that parallels views of the liberal and mechanical arts and their relationship to one another, to the community and to the economy. Through an historical lens, the following section reflects upon the roles of creative individuals and groups in regional economic development.
Categorising creative activity

The following chapters consider historical antecedents that have influenced how artists, craftspeople and designers have been considered within the economic and social structures of communities over time. Stemming from this historical basis, this section of the thesis considers how the historical constructs of status and value of creative individuals and their respective creative disciplines has informed South Australia’s contemporary conceptualisations of the role and value of creative and cultural production.

Humans have been creative in one way or another since they became recognisably *homo sapiens* over 50,000 years ago. Creativity has been and still is intrinsically tied to how we have shaped our world, communicated within and external to our community, as well as conveying expressions of a community’s culture. From the time of the emergence of *homo sapiens* our species has been drawing, painting, sculpting, building, shaping and decorating our world. Now housed within our cultural institutions as relics of times past, artefacts borne of creativity stimulate awe and wonder in imagining the resourcefulness, the skill and the motivation involved in the creation of these objects. Some objects were created and produced in multiples for quite utilitarian reasons which we now commonly associate with ‘being crafty’. Other objects are identified as artistic, or aesthetically pleasing, especially those created to propitiate the gods; precious funerary confirming the status of individuals within the community, or decorations to the built form conveying the religious or political significance of a site, the activities and the individuals associated with a place. Hence we have cave paintings and cathedrals, mosaics and murals, fine textiles and jewellery, and goblets of chased silver.

During the phases of human cultural and economic development, in fact, from the time of the Roman Empire through to the late Middle Ages and into the Renaissance, what we consider ‘creative professions’ in today’s industrial classifications were scattered among
various sciences, crafts, and other human activities of a quite disparate nature.\textsuperscript{10} Kristeller’s (1951) observations in \textit{The Modern System of the Arts} supports the observations made by Chartrand (1987) in his work focusing on these periods regarding the lack of distinction between the fine and applied arts. Kristeller (1951) observes the terms used for ‘the arts’ preceding the Middle Ages did not distinguish between the ‘fine’ and the ‘applied’ arts as in the modern construct of the term, but ‘were applied to all kinds of human activities which we would call crafts or sciences’ (p. 498).

### 3.1 The institution of the Medieval guild system

The years from approximately 500 – 1400 AD are referred to as Middle Ages or the Medieval Period. Towards the end of this period, during the eleventh through the thirteenth centuries, considerable economic development occurred in Europe and England, with the guild system emerging to dominate commerce and the production of goods. It has been suggested that the first guilds evolved during the late Roman Empire from the remnants of the voluntary associations of artisans, known as \textit{collegia} (Kristeller 1951, p. 508). The collegia were organised along trade lines, and possessed a strong social and religious base, producing artefacts of intrinsic and institutional value. Secular and religious guilds\textsuperscript{11} developed as a means of organising production, trade and the social and spiritual life of communities. Most of these organisations disappeared during the Dark Ages, when the Western Roman Empire disintegrated, but the idea of professional associations, like many ideas, lingered.

Significant debate endures regarding the influence of the numerous guilds on economic growth during the Medieval Period. Mokyr (1992, p. 4) argues that before 1750 institutions and institutional value were more important in explaining pre-modern episodes of economic growth or change than the development of new technologies which

\textsuperscript{10} The five fine arts which constitute the modern system were not grouped together in antiquity, but kept quite different company: poetry stays usually with grammar and rhetoric; music is as close to mathematics and astronomy as it is to the dance, and poetry; and the visual arts, excluded from the realm of the Muses and of the liberal arts by most authors, must be satisfied with the modest company of the other manual crafts (Kristeller 1951).

\textsuperscript{11} Robertson (2005) suggests the term guild is derived from Anglo-Saxon word \textit{geld}- to pay, contribute. The noun form of the word meant an association of persons contributing money for some common purpose.
might be introduced by a guild. In examining the literature regarding this period, historical perspectives and representations of the guild system consider it as either providing a positive or negative function and influence on the economy. These perceptions appear dependent on the academic domain of the author/s and the associated economic ideology and notions of the value and role of institutions on economic development.

3.1.1 Guilds interlinking economic, social, political, religious and cultural activities

Richardson (2005) asserts that guilds were groups whose activities, characteristics and composition varied greatly across centuries, regions and industries. Cole (2000) in his introduction to an edited and translated version of French economic writer Renard’s (1981) work *Guilds in the Middle Ages*, describes the guild as ‘internally a self-regulating unit laying down the conditions under which production was to be carried on, and occupying a recognised status in the community based on the performance of certain communal functions’ (Cole 2000, p. 9). Renard (1981) describes the basic administrative structure of the guild as:

> A voluntary association of men carrying on the same trade or allied trades and pledging themselves by oath to defend their common interests. It demanded of those who, in virtue of their mastership, wished to belong to it, proofs of capability, morality, orthodoxy, political loyalty, and often the regular payment of a contribution. Once enrolled, a member could not leave without first publicly announcing his intention to do so, and discharging any debts owing to the guild. He could be expelled for any serious breach of its regulations or of the laws of the state. (p. 35)

Typical taxonomies divide medieval guilds into two types – merchant, and craft (Richardson 2005). During the Medieval Period, the steady rise of town life stimulated increased demand for food and products, which in turn stimulated increasing trade within and between communities and the beginnings of an industrial system of labour. Early forms of guilds included both trading and manufacturing elements, known as guild merchants. This was particularly apparent in smaller communities, especially in Europe where guilds were often comprised of diverse trades in order to create a critical mass of enterprise that could influence and enforce production, labour and trade regulations. Considered monopolistic by classical economists (Hickson & Thompson 1991), common
concerns of the guilds were the protection of their members from outside competition; ensuring fair competition between members; and maintaining the standards of quality of the products that their guild produced (Cole 2000; Richardson 2005).

In order to maintain cooperative groups of individual traders, guilds formed stable, self-enforcing associations that possessed structures for making and implementing collective decisions that advanced their common interests (Epstein 1998). Thus guilds contributed multiple forms of value to their communities, including intrinsic and institutional in the form of contributing to the building of religious edifices; institutional value in the form of state buildings; their role of organising and mediating commercial transactions; and a purely instrumental role in that their members provided products and services to the community contributing to the economic growth and status of a region.

**Organised trade and labour.** Contrary to the common perception that all workers during the medieval period were associated with single guilds, some scholars suggest that most men did not restrict themselves to working at a single occupation but often the family unit would also engage in some sort of home based money earning activity (Swanson 1988).

Epstein (1998) points out that ‘in cities like Florence and London, crafts were grouped in huge umbrella denominations, which took the sting out of demarcation issues and made it easier for craftsmen to move between different sectors’ (p. 690). In addition, many who worked outside the craft guild system would be members of non-craft/trade associations and clubs that provided them with social and or moral support (Rosser 1997). Observing guilds from a broader perspective than merely a regulator of trade and labour, Ogilvie (2007) suggests that in fact most guilds engaged in a wide variety of interlinked economic, social, political, religious and cultural activities in order to achieve benefits for the members of their guild.

As populations grew, markets widened and the demand for manufactured commodities increased. Consequently, industry began to overflow the boundaries set for it by the local guild organisation. Eventually the organisation of all merchants and master-craftsmen into a single body gave way to a system of craft guilds. Separated from the craftsmen-
producers, a distinct class of traders or merchants grew steadily in power and prominence, buoyed by an increase in the variety and amount of internal and foreign trade (Cole, 2000; Epstein 1998).

The increase in power and prominence of the merchant guildsmen brought them closer to the municipal authorities and in some regions the merchant guilds and the municipal authorities corroborated on so many ideological fronts they were often considered one and the same.

**Guilds playing an administrative role for municipal authorities.** Hickson and Thompson (1991) argue that guilds existed ‘primarily because of their social value as (1) participants in the formation and administration of the commercial laws of the city and (2) collectors and payers of efficient defence taxes on non-human capital’ (p. 140). Furthermore, Hickson and Thompson (1991) suggest that guilds concocted the laws setting down the minimum apprenticeship period, providing an incentive for masters to adhere carefully to the labour laws in order to benefit from their long term personal investment.

Another benefit of organising labour was for municipal authorities who through the system of guilds were able to ensure military manpower was available when needed. Swanson (1988) suggests that the common municipal regulation brought in during the late fourteenth century of *one craft per person* was not only a means of defining an individual’s identity in terms of their work; more importantly for the authorities it was a means of trying to control the labour market, a means of controlling prices, as well as a means of diminishing informal market activity.

Hickson and Thompson (1991, p. 145) suggest that as early as the twelfth century in Western Europe the craft guilds were accorded an administrative role in that they offered an increasingly efficient means by which the ruling oligarchies of merchants and all noble landlords could collect taxes. Utilising the ‘one craft per person’ as a means of identifying individuals would have made the collection of taxes a much more efficient process. Like the merchant guilds earlier, in some regions the craft guild became an ally of the administrative bodies of the municipality and politically influential.
**Transfer of knowledge and skills.** Not only did the guild system provide an administrative structure by which consistent business practices were expected of guild members; but it also served to formalise the divisions of labour, authority, and transfer of knowledge and skills within and between the small cottage-based businesses of the day.

The enterprise structure of master craftsman, apprentice and journeyman (daily contracted workers)\(^{12}\) enabled the control of production of physical goods and artefacts. As Epstein (1998) observes ‘the main objective of individual master was to make the most efficient use of family and outside skilled labour in the workshop’ (p. 687). Thus the commonly presented image of the production of goods in this era is the autonomy of production workshops under the direction of a Master. In reality the production of many goods during this period, just as now, required the input of multiple craftsmen and trades.

Illustrating this, Rosser (1997, p. 154) writes of the manufacture of a horse’s saddle which involved a series of specialist craftsmen. In London at the beginning of the fourteenth century, the various workers who contributed to the production and retail of saddles debated, as differentiated societies, their respective claims to the profits of the industry. The disputants included joiners, who made the saddle-trees; lorimers, who made the harness; and painters, who added decoration; in addition to saddlers, who oversaw these processes and were the principal agents for the sale of the finished products. From this observation it can be concluded that the artistic, engineering and architectural feats produced during the Middle Ages were not the work of independent genius alone, but the product of an extended series of different designers, painters, carpenters and gilders, between whose several shops the work was carried in turn before its final installation (Rosser 1997, p. 15).

The role of the guilds individually and collectively provided an institutional framework to support the application of creativity in all of its forms to realise the production of utilitarian goods and the completion of significant building projects that often spanned many years and generations.

\(^{12}\) Masters and journeymen inhabited essentially the same cultural environment (Rosser p.16).
In light of these observations, Epstein (ibid., p. 703) posits that wage labour and its rules constitute the most enduring legacy of the medieval guilds. He adds, furthermore to the list of guild accomplishments informing contemporary institutions including economic corporatism, vocational education, and solidarity among employers on the one hand, and among employees on the other. In addition, technological transfer through travelling journeymen was an equally inescapable consequence of the craft guild system.

3.1.2 Guilds and innovation

Mokyr (2005) notes that pre 1750 technological progress was often also-ran and spasmodic due to the limitations of the fields of knowledge that were being applied at the time. As he notes:

*It was a world of engineering without mechanics, iron-making without metallurgy, farming without soil science, mining without geology, water-power without hydraulics, dye-making without organic chemistry, and medical practice without microbiology and immunology.* (Mokyr 2005, p. 7)

As the epistemic base, or as Mokyr (2005) refers to it, propositional knowledge, grew and was accumulated by the guilds, so too did the basis from which technological innovation could occur; incremental innovations that combined adaptation and refinements of existing techniques in response to increasing demand for goods stimulated by foreign trade.

Epstein (1998) suggests that the guilds’ contribution to technological progress was largely involuntary, as it was ‘most likely to be an unforeseen consequence of everyday practice rather than of systematic experimentation, and because it was an undesirable side effect of artisan and journeyman migration’ (p. 687). Although certain important technological developments did emerge during this time, including the vertical water mill, oil paint, mechanical clocks, the hourglass, horseshoes, the horse collar and the compound crank.

*There was a fundamental difference in outlook between the poorer craftsmen, who had low capital investments and drew their main source of livelihood from their skills, and who therefore (frequently in alliance with journeymen) opposed capital intensive and labour saving innovations, and the wealthier artisans who looked on such changes more favourably. Innovations in craft production were therefore more likely to occur through small scale and incremental practical experiment and of random variation.* (ibid., p. 696)
Innovation sped up after the Black Death of the fourteenth century that severely depleted the stocks of labour, which stimulated masters to experiment with new methods of production to offset labour shortages and improve productivity (Epstein 1998), a form of creativity in itself.

3.1.3 Social capital\textsuperscript{13} fostered by guilds

As was noted at the beginning of this section, many guilds stemmed from religious fraternities that played an important role in fostering social and moral cohesion, including providing support for members during their working lives. However, the diverse processes through which work was negotiated and experienced contributed to the formation of distinct divergences in political and social attitudes within medieval towns and regions (Rosser 1997, p. 7).

With the separation of the merchant from the craft guilds and the resulting political and economic imbalance between the two groups, an increased polarisation of merchant and artisan in provincial towns occurred (Swanson 1988). Among the guildsmen, wide social distinctions appeared, and the master craftsman began to be considered very much in the position of a labourer in relation to his employer the rich trader or large-scale manufacturer. The richer guilds, especially those connected with trade, sought by the limitation of entry and the exaction of high entrance fees and dues after entry, to keep the guild ‘select’ and establish an oligarchy in its government.

The institutional framework provided by guilds. Guilds provided an important institutional framework for exchange of knowledge within specific guilds, the production of goods and the increasing levels of exogenous trade. In addition, the loose network of guilds provided a means of supporting and regulating the social, political and economic wellbeing of towns and regions.

Most guilds engaged in a wide variety of interlinked economic, social, political, religious and cultural activities in order to achieve benefits for the members of their guild. (Ogilvie 2007). Within the institutional framework of the guilds the following diagram (Figure 3.1)

\textsuperscript{13} Better known proponents of social capital theory are Bourdieu (1980, 1983/1986); Coleman (1988,1990); Putnam (1993, 1995a). Lin (2001, p. 29) summarises the discourse by stating: ‘it has been proposed that social capital, as an investment in social relations with an expected return in the market place, should be defined as resources embedded in a social structure that are accessed and/or mobilised in purposive actions’.
summarises through John Holden’s (2005, 2006) triangulation of values the different types of value creative individuals and enterprises contribute to the economy.

**Politicians and policy makers**
- Religious guilds
  - provided lay authority in towns
  - morality, orthodoxy, worship
  - constructed multifunctional buildings: chapel, hospital, community hall
  - supply of religious and charitable aid to members at their death
  - employed an extended series of different designers, painters, carpenters and gilders

**Religious guilds**
- constructed multifunctional buildings: chapel, hospital, community hall
- supply of religious and charitable aid to members at their death
- employed an extended series of different designers, painters, carpenters and gilders

**Institutional value**
- organising labour & controlling movement of human capital
- standardising production
- controlling trade fostering innovation
- Contributed to the design and building of physical expressions of the institutions such as churches,

**Public**
- Clergy, wealth patrons
- Social elite
- Intellectuals & Connoisseurs
- Political institutions
- Domestic goods supplied to local community as well as traded externally

**Intrinsic value**
- in buildings of significance, utilitarian objects, artifacts and artworks - high levels craftsmanship and artistic finish/pride

**Creative Professionals**
- Guildsmen of all trades’ apprentices, journeymen

**Secular guilds**
- political loyalty, arbitrator, knowledge disseminator, proofs of capability
- share out the unattributed costs and benefits of training among its members
- protector of intellectual capital & ‘tricks of the trade’
- exert influence within Municipal authority technological transfer through travelling journeymen

The institutional influence of the guilds began to decline during the latter medieval period with the growth of new industries which had never come under guild regulation. The guilds’ influence was further eroded by the grant by the Crown of special privileges to individual monopolists and patentees. Swanson (1988, p. 46) observes that ‘where the Guilds did not die, they were transformed into exclusive and privileged companies which in no sense carried on the medieval tradition’.
In South Australia as in many other regions the legacy of aspects of the system of guilds (although diminished) remains today such as the Trade Union movement. Within the creative industries, this constitutes the incorporated associations and industry bodies representing specific craft practices such as the Jewellery Makers Guild of Australia (JMGA), AusGlass, The Potters Guild and the Hand Spinners and Weavers Guild, or more broadly based organisations such as Craftsouth, and the Arts Industry Council of SA, Design Institute of South Australia, all of whom are still active in South Australia and serve their members through the provision of skills development, advocacy to government agencies, marketing and awards programs.

3.2 Creativity during The Enlightenment and the beginning of the Industrial Revolution

The guild system gradually weakened and disappeared as the Age of Enlightenment took shape and then dominated Western culture (1637-1815) and ushered in the Industrial Revolution. Interestingly, one of the early guilds, the universitas (associations of students and teachers with collective legal rights usually guaranteed by charters issued by princes, prelates, or the towns in which they were located) was transformed during this period into the institution that was the precursor of modern universities (Colish 1997). The Enlightenment and then the Industrial Revolution, both with a new emphasis on science and scientific methods, were periods of tremendous intellectual activity, and very creative in terms of innovation, new knowledge and new ways of interpreting the world, behaving and believing. Interestingly, it is only in hindsight that we apply the words creative and creativity to developments in the arts and technology during this period. These words, however, would not be used until 1859 in the sense that we understand them today.

The formal teaching institutions that emerged catered for the elite of society, but the Enlightenment world was awash with curiosity, inventiveness and new knowledge, and an unregulated market of knowledge emerged in the coffee houses and through public lectures in London and then spread out to the provinces.

One of the most noted groups that formed spontaneously to share and discuss information and ideas was the Lunar Society (1765-1813) in Birmingham, a group of scientists, inventors, and natural philosophers who gathered regularly to discuss how
science and technology could be made to serve society for the good of all. Its membership included Matthew Bolton, James Watt, Erasmus Darwin (Charles Darwin’s grandfather), Joseph Priestley, Josiah Wedgwood (Charles Darwin’s maternal grandfather) and William Murdock, all of whose work inspired and enabled rapid progress in manufacturing during the Industrial Revolution. This group of men believed that by raising productive capacity they would be able to deliver material decency for all.

Many of the Lunar Men were supporters of Adam Smith’s (1776) views on economic liberalisation, and, together with their focus on industrial progress, they tried to promote sociability, education, arts, individual pleasures and cheerfulness, to foster, in short, the ‘happiness’ of humankind (Uglow 2002). Isaac Newton (1643-1727) on the other hand believed that the senses are unreliable and that science advances best if, at any one time, it is limited to those small areas in which rigorous methods can be applied.

In describing the determinants or features of economic growth that occurred at the time of the Industrial Revolution, Rostow (1953, cited in Ashworth 2008) argued for the imperative of science and technology to industrialisation. Similarly, a contemporary of Rostow, Kuznets (1959, cited in Ashworth 2008, p. 252) advocated and promoted the role of science as the basis for technical innovations, stating that increased productivity is ‘possible only through major innovations, i.e. applications of new bodies of technical knowledge to the processes of economic production’. He concluded: ‘In these days it is hardly necessary to emphasise that science is the base of modern technology, and that modern technology is in turn the base of modern economic growth’ (Kuznets 1959, cited Ashworth 2008, p. 252).

In his introduction to Science, Technology and Economic Growth in the Eighteenth Century, Musson (1972) stated:

*The fundamental basis of modern science, ‘pure’ or ‘applied’, is the ‘scientific method’ of combining theory or hypothesis with practical experiment: modern science is experimental science’. This, he claims, is what Britain’s leading industrialists were doing. Thus rather than just crude empiricism based on trial and error, men like Watt and Wedgwood were applying a scientific method that dated back to the Scientific Revolution. (Musson 1972, cited in Ashworth 2008, p. 253)*
Clearly, a demarcation between the value of craftsmanship and technical knowledge, and that of the role of scientific experiment in industrial and economic growth was beginning to emerge just as the idea of the elite fine artist as opposed to the servile craftsman was being developed. Hall (2000) observes that craftsmen had always experimented and talked of experiments, but not scientifically in the sense that science came to be understood. With The Enlightenment the language of science and scientific methods and inquiry informed and nurtured a culture of innovation and technological development in new ways which proved fundamental to Britain’s eventual manufacturing dominance (Musson 1972, cited in Ashworth 2008, pp. 253-256), but which changed the meaning and appreciation of the social and economic value of art and creativity irrevocably.

3.2.1 From arts and crafts to science, technology and industrialisation

Cultural leadership shifted from Italy to France during the seventeenth century, and the Italian model of the academies, that is, universities, was adopted in France. The French Academies were much more centralised than those of Italy and guided by governmental policy. During this period the number and scope of the academies grew to include a much broader representation of arts and sciences and the increasing knowledge base and popularity of the natural sciences appeared to overshadow that of the arts.

Increasing intellectual debate about what constituted the ‘fine arts’ and the distinctions between the arts and sciences prompted the more specific classification of knowledge in the seventeenth century. Kristeller (1951) notes:

*The separation between the arts and the sciences in the modern sense presupposes not only the actual progress of the sciences in the seventeenth century but also the reflection upon the reasons why some other human intellectual activities which we now call the Fine Arts did not or could not participate in the same kind of progress.*

(p.526)

This increasing separation between the arts and sciences triggered distinctions between the fine arts (with its primary objectives to represent and reflect beauty, aesthetics and expression through literature, the visual and performing arts), and the mechanical arts, with their primary objective being utility.
In turn, differences in the perception of value between differing knowledge types and professional status generated a growing distinction between the role and status of the ‘creative’ individual whose inventiveness, capacity for innovation and original thought were channelled into diverse skill sets, modes of production and products. Perhaps related to the decreasing social status of the craftsmen in the Middle Ages, the works of utility produced in craft workshops had less status than the works of fine art commissioned by wealthier freemen and claimed to be the sole effort of virtuoso fine artists. As Rosser (1997) suggests, this differentiation has been perpetuated by dealers and art historians since the sixteenth century for the mythologised individual master with the view to increasing the value of the works they were noted for creating over time.

3.2.2 Social and political perspectives influencing the perceived value of creative individuals

Liberal arts. During the 1700s the ‘liberal arts’ (high and intellectual art) including painting, sculpture and philosophy were seen as worthy pursuits of the social elite. It was considered ‘art could improve society by raising citizens from Sensuality to Reason’ (Stainbridge 2004); Borzello, 1987; cited in Richards 2006, p. 25).

As Hartley (2005, p. 6) notes, Shaftsbury and Reynolds amongst others constructed an intellectual ideology for ‘public art’, which linked it with the community of taste capable of understanding and appreciating it. This implies a liberal education only afforded by the elite and political public would facilitate an understanding of taste. The distinction between the elite intellectual fine art and the servile, utilitarian mechanical arts illustrated and reinforced the social distinction between the elite governors, and the servile governed. As Moxey (1991, p. 986) observes:

*Art may be bathed in the values of the class that is responsible for its creation yet instead of being enmeshed in the transactions that constitute social life, it manages to escape those circumstances in order to become an active agent which can ‘work’ or manipulate the class values with which it is associated. (p. 986)*
In general, to sustain a liberal fine art practice during this time it was necessary to have aristocratic blood, be associated with an aristocratic family, or have a wealthy patron. Individuals who had none of these benefits gave rise to the oft-cited (even romanticised) caricature of the starving artist in their garret.

**Mechanical arts.** The creative skills and technical ability developed through mechanical arts production such as potters, illustrators, printers, weavers, glass blowers or stone masons were considered inferior to those of the artist. Those who developed their creative talent through the trades system and became artisans in most part became the (so called) unskilled labour force of the wealthy industrialists. Consequently, their skills and association with trade and manmade production and manual labour cast their application of the creative skill and technical knowledge as notionally inferior to that of the liberal artist of the time (Smith 1970; Hartley 2005; Chartrand 2003; Howell 1986).

Stainbridge (2004) suggests that the enduring ‘lofty approach to art and culture’ became pervasive following the publication of Baumgartner’s *Aesthetica* in 1750 and 1758 and the more commonly referred to work of Kant (1952) that discussed and ascribed the notions of ‘philosophical aesthetics – notions of beauty and the sublime… and of the arts’ universal, autonomous, transcendent qualities (Kant 1952, cited in Stainbridge 2004). Stainbridge (2004) argues this perspective has played a major role in ‘the development of a traditionalist, formalist art history’ (p. 2) and ultimately serving to inform the development of arts and cultural policies aspects of which in many regions have evolved perpetuating the differentiated ascribed values and investments between differing forms of artistic and creative practice.

The Earl of Shaftsbury and Sir Joshua Reynolds, considered the more vocal advocates of modern thought on aesthetics, advocated for the ideal of the ‘virtuoso’, which has shaped how many Western governments value and support the arts today (Hartley 2005). This perception of the elite ‘high arts’ persists not only within the arts professions but also the broader public. The increasing delineation of social status and value of the fine arts and artistic virtuosity as opposed to the handcrafting or workshop based production of multiple objects of high aesthetic and utilitarian value coincided with the significant economic and social changes that occurred as a result of the Industrial Revolution.
Richards (2006) suggests that this notion of excellence and exclusivity also served a political function in that it buttressed the elite of society and enabled them to protect their social, political, and economic dominance (p. 24).

Holden’s (2006) cultural value framework triangulates the differing forms of cultural value, together with the triangulated relationship of politics, professionals and public to illustrate the differentiation occurring between the fine or liberal arts and the mechanical arts during the time of the Industrial Revolution to the early 1900s.

<table>
<thead>
<tr>
<th>Institutional value</th>
<th>Public</th>
<th>Intrinsic value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Articulated/expressed through visual culture and the production of artefacts communicating Moral ideals and civic virtues</td>
<td>Clergy, wealthy patrons, Social elite, Intellectuals &amp; Connoisseurs</td>
<td>Development, display and articulation of abstract ideas, reflection and celebration of social, human and natural environment</td>
</tr>
</tbody>
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<table>
<thead>
<tr>
<th>Politicians &amp; Policy makers</th>
<th>Aristocracy &amp; landholders</th>
</tr>
</thead>
<tbody>
<tr>
<td>Instrumental value</td>
<td>The civilising influence of a liberal Education and appreciation and participation in the 'high arts' Promotion of social and political ideals and status</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Creative Professionals</th>
<th>Artist trained in academies usually supported by wealthy patrons</th>
</tr>
</thead>
</table>

**Figure 3.2** Using Holden’s cultural value framework to situate the social station and types of value contributed by the liberal arts (Andrew 2011)
Institutional value
Contributed to the design and building of physical expressions of the institutions such as churches, houses of the aristocracy and the industrialists

Public
Clergy, wealthy patrons
Social elite, Intellectuals & Connoisseurs
Public institutions

Intrinsic value
the building and embellishment of churches and artefacts or religious significance
Created objects of utility with or without decorative embellishments to enhance aesthetic appeal

Intrinsic Value
Economic value generated by Mechanical Arts

Instrumental value
Development and transfer of Mechanical skills and labour
Mechanical arts/crafts/tradesmen contributed economic benefit for industrialists, landholders and the broader economy

Creative Professionals
Mechanical arts/crafts/tradesmen & apprentices

Figure 3.3 Using Holden’s cultural value framework to situate the social station and types of value contributed by the mechanical arts (Andrew 2011)

Not only was the divergence of the liberal arts from the mechanical arts illustrated by differences in conceptual contexts and aesthetics, it was also illustrated via distinctions of value between differing forms of creative production, high art verses craft, reinforced by distinct societal divisions of class.

Beginning in the late 1800s increasingly mechanised manufacturing processes influenced the decline of many trade or artisan skills, most obviously within the manufacture of textiles, pottery, glass, and papermaking. In some ways the attitude that the crafts are somewhat of a second cousin to the supposedly more intellectually rigours high/visual arts continues through the art versus craft debate. However in analysis of the ways in which and types of value creative enterprises contribute to spheres of economic activity is not a question of acknowledging and supporting either/or but considering how creativity and creativity contribute economic value and the context in which value is generated.
The Arts and Crafts Movement and William Morris. Inspired by historical observations, John Ruskin (1862) noted the stark differences between the social status afforded to the skills of tradesmen, applied artists and craftsmen during the Medieval and Renaissance periods to that of the production efficiencies desired of England’s rapidly industrialising economy.

The Arts and Crafts Movement noted all of these changes with concern, particularly the reduction of status of master craftsmen and artisans who in the most part enabled industrialists to capitalise on new forms of mechanical equipment and transform themselves into merchant-producers by taking over the production functions once carried on by workshop based small independent producers.

William Morris (1834-96) is perhaps the individual most recognised within the Arts and Crafts movement via his works as a poet, political theorist, publisher, environmentalist, craftsman and designer. Like Ruskin before him, William Morris was also interested in medieval history and idealised the craftsmen of this period, observing that the artist was a craftsman who carried out whatever work was commissioned from him. Morris (1877) argued that in the Middle Ages artists were not as they grew to be in his time. He noted:

\[ I \text{ suppose that the practice of the arts must be mainly kept in the hands of a few highly cultivated men, who can go often to beautiful places, whose education enables them, in the contemplation of the past glories of the world, to shut from their view the everyday squalors that the most of men move in. (Morris 1966, p.25) } \]

With the emergence of machine manufacturing, Morris, as did Ruskin before him, saw the role, value, and status of the craftsman being undermined by increased mechanisation. Morris was concerned for not only the decline in aesthetic quality and ‘soul’ of machine made products, but also the negative social impacts the Industrial Revolution would have on an increasingly marginalised labour force. This concern was expressed not only from the perspective of designer and craftsman, but also from the perspective of his socialist ideology. Morris’s concern regarding economic inequality and the division of labour was validated and reflected by the growing distinction made between the ‘high arts’ and the craft based trades or mechanical arts. Creative activity was slowly being categorised in ways that were new. No longer did the craftsman belong to the painters or the leather workers guilds. One was categorised as an artist, while the other became a tradesman.
Morris (1884) lamented the division of art into two types with differently perceived values attributed to them: the highly regarded ‘intellectual’ and intrinsic qualities of painting and sculpture, and the instrumental utility of the ‘decorative arts’ or crafts, which primarily serve the body. He argued furthermore that a chief deficiency of contemporary art at the time was that art and craft were practised separately and the social positions of the producers were becoming vastly different. He considered that the social and economic system was at fault by consuming the work of second-rate artists who by virtue of birth or business acumen assumed a market for their work. Producers of intellectual art were professionals and gentlemen, while producers of decorative art were categorised as working class.

In his work *Art Under Plutocracy* Morris (1884) calls for the democratisation of ‘fine’ as well as the ‘applied’ arts, not only in relation to the social standing of those who produced an artefact, but also that ‘the masses’ be able to purchase objects of aesthetic beauty and utility. Morris asks that the definition of ‘art’ be extended beyond ‘those matters which are consciously works of art, to take in not only painting and sculpture, and architecture, but the shapes and colours of all household goods, nay, even then arrangement of the fields for tillage and pasture, the management of towns and of our highways of all kinds; in a word, to extend it to the aspect of all the externals of our life’ (cited Upchurch 2005, p. 513).

In his many journal and literary works, Morris’s ideal was to break down the divisions between the liberal and mechanical arts, preferring to emphasise *design for living*. He sought to demonstrate this ideal by working with associates of similar mind. Seeking to influence a change in perception, they developed a nomenclature that described themselves as Fine Art Workmen in Painting, Carving, Furniture, and the Metals. In 1861, this group of craftsmen established the firm Morris & Co.

Reflecting his admiration for the medieval craftsmen, Morris’s business initially focused on the production of ecclesiastical decoration and produced murals, wood-carvings, stained-glass windows, metalwork, furniture, and embroideries; according to the principles of craftsmanship which had governed medieval art. This work was
undertaken by the individual craftsman ‘where the workman-artist would conceive of, design, and actually bring his own work into being, presiding over it from first to last’ (Morris, cited in Cody 1988).

Ruskin, as did Morris, held that a healthy society depended on skilled and creative workers (Ruskin, 1871, cited Pinnock 2006). In contrast economist Adam Smith’s (1776) notion of a fair and moral society was one that would require the intervention of institutions to uphold men’s intellectual and moral judgement.

Despite initially being driven by socialist ideals, ironically the products produced by Morris & Co. could not be afforded by the working class as the predominantly man made production methods and resulting small quantity of production made the goods prohibitively expensive. Thus, Morris struggled with this contradiction between his socialist intention of employing highly skilled artists and craftsmen to produce functional works of art and everyday objects, with the growing market for and appeal of affordable mass produced items.

Morris continued to be a respected and world-renowned craftsman, artist and thinker, but the outcome of his experiment with manmade production in a modified guild system illustrated that the growing focus on the natural philosophy (the new science) of the 1700 and 1800s set the stage for modern science and its growing acceptance within society as the provider of answers to how and why things work, and the basis for new ways of designing and manufacturing. As science and technology became simultaneously broader in scope and more precise in individual purpose, their connection with forms of creativity applied by artists and craftsmen became less and less apparent. As science became more definite, it became increasingly useful to technology, and it is science and engineering that have given precision to both the design and the control of the processes by which ‘stuff’ is made, and often influenced and shaped the stuff itself. In the areas of textiles, wrought iron, pottery, glass and paper, for example, new machinery and processes wrought enormous changes in design, use and production.

In his paper considering the interplay between art, technology and science, Brian Smith (1970) asserts that ‘technology passed from the individual work of craftsmen to an aggregate of integrated systems, the significance of individual processes [was] lost precisely at the moment that they become most efficient’ (p. 548).
3.2.3 Foundations of neoliberal economic ideology and contemporary perceptions of the value of creative professionals

The changes in society wrought by the thinkers of The Enlightenment and the activities of the movers and shakers in the Industrial Revolution included debates about the notion of civic humanism and the place of the arts and artists in society. The transition of production institutions from the guild to manufactories with increasingly mechanised production stimulated the evolution of markets, including that for labour (Kieser 1989). This change prompted an increase in the philosophical debates that informed the development of the Classical School of economic theory, of whom Adam Smith was a leading advocate.

**Adam Smith.** Adam Smith (1723-1790), the Scottish philosopher writing in the eighteenth century, sought to reject the mercantilists’ economic ideology stemming from the guild system. He considered it protectionist and monopolistic, not only in the marketplace, but also within the production houses by controlling individual labourers within the apprenticeship system. Smith argued for the revision of the economic structure to support extensive division of labour, allowing employment to be guided not by restrictions determined by individual guilds but by the demand and incentives from the market. He argued that this structure would be more equitable and could eventually diffuse wealth throughout society. Smith’s rejection of the guild system together with the Industrial Revolution and the division of labour undermined the value of individual creative skill and knowledge.

Smith considered that the division of labour stimulated by increasingly mechanised industry would increase production because under this structure workers would specialise in one or a handful of particular operations, a move that ‘enhances their efficiency and fosters technical innovations’ (Smith 1776, p. 17, cited in Smith 2008, p. 201). He identified three positive effects of the division of labour on workers’ productivity. When workers specialise, they: (1) increase their skill (dexterity); (2) save the time necessary to switch among different activities; and (3) have the possibility of inventing machines to facilitate their job (Smith 1776, cited in Lavezzi 2003, p. 83).
Lavezzi (2003, p. 83) suggests that Smith had in mind the concepts of: (1) learning by doing; (2) set-up costs; and (3) endogenous technological progress, all of which were arguably concerns of and addressed within the guild structure.

Rosenberg, Morrow and Macfie (Samuels 1977, p. 15) observe a contradiction in Smith’s arguments for the division of labour. On the one hand he argued it would afford economic efficiencies. On the other, however, he articulated concern that the repetitive work within factories would dull the workers senses, and that together with the constant movement of free labour to industrial regions, unmoor them from their moral sense. A central thread of Smith’s argument considered the individual should be elevated to the prime element in the economic system which is interdependent on the interactional systems and institutions which stimulate as well as govern it.

Taking Smith’s basic precepts to the extreme, members of the new science of economics would ultimately reduce human labour to routinise tasks and produce process efficiencies, diminishing the perceived value of an individual’s knowledge and skill. Workers came to be considered part of the machinery of industry. Much like farmers who produce the food societies depend on, the artisans and craftsmen whose labour enabled an economic revolution were little honoured by the entrepreneurs who drove it, which was never Smith’s intention.

On the other hand, representatives of the ‘high arts’ began to achieve success through the sale of paintings, engravings or sculpture, and a new economic element within the burgeoning industrial economy began to emerge, driving a wedge firmly between the crafts, the products of which could now be produced with machines, and the arts which represented unique individual expression.

Smith argued that the ideal economy was a self-regulated market system that automatically satisfies the needs of the community. A self-regulating economic system would itself provide an intuitional mechanism to compel man to pursue self-interest in social rather than antisocial ways; this he termed the Invisible Hand.

As every individual, therefore, endeavours as much as he can both to employ his capital in the support of domestic industry and so to direct that industry that its produce may be of the greatest value; every individual necessarily labours to render the annual revenue of the society as great as he can. He generally, indeed,
Neither intends to promote the public interest, nor knows how much he is promoting it. By preferring the support of domestic to that of foreign industry, he intends only his own security; and by directing that industry in such a manner as its produce may be one of the greatest value, he intends only his own gain, and he is in this, as in many other cases, led by an invisible hand to promote an end which was no part of his intention. Nor is it always the worse for the society that it was no part of it. By pursuing his own interest he frequently promotes that of the society more effectually than when he really intends to promote it. (cited in Samuels 1977, p. 421)

Whilst arguing that the best sort of state largely remained out of its people’s lives, Smith understood that some goods that yield great public benefit are not profitable to produce privately. He argued that government intervention in the economy should be minimal, restricting its activity to maintaining a national defence, establishing public order and justice, and building advantageous public institutions and works infrastructure such as schools, roads, canals, and bridges that private industry has insufficient incentive to undertake.

With concern, Smith recognised that without institutional intervention to uphold a legal and moral framework for society, the basis for citizenship was likely to be eroded by undermining ordinary men’s intellectual and moral judgment. Smith’s ideal institutional structure was one which would harmonise the individual’s pursuit of his self interests with the broader interests of society. As Rosenberg (1960) observes, Smith considered moral and legal social control constitute part of the basis of the market, such that sympathy, as well as division of labour serve as social cement, whatever harmony and freedom exist is a function of institutions as well as the market.

A constant theme throughout Smith’s writing is his desire to foster the creation of a decent commercial society and the improvement of people’s material existence appears alongside a deep concern for their moral, intellectual, and cultural lives. An aspect of this concern was the likelihood that the division of labour and the market would make men more innovative but also more prosaic, averse to high art, and scornful of the value generated by mere imitation (Smith 1985, 137; Smith 2006, 27-29, cited in Smith 2008, p. 202).

Smith’s observations, commentary and theoretical arguments set the foundations for modern economics. His views have, however, often been misrepresented in the pursuit of radical free market economists for a symbol and a founder of their philosophy. In
reality, Adam Smith’s views on the market and on the place of labour, art, intellectual quickness (creativity was not yet coined as a word), business and government were much more complex than he has been given credit for, both subtle and nuanced, as well as contradictory. Nevertheless, free market advocates and libertarians in general credit Smith with a laissez-faire philosophy that the Scottish philosopher never supported, a credo that puts monetary profit at the forefront of human goals and activity.

John Stuart Mill. John Stuart Mill’s (1806-1873) social and economic theory came to the fore some 80 years after Adam Smith’s works were published. During this time, widespread unemployment and poverty were compounded by rapid population growth, which undermined the potential for the poor to make material progress. Unlike Adam Smith, Mill did not consider the influence of the ‘invisible hand’ (self-interest, competition and supply and demand in the market) or any institution as the foundation of community moral and social wellbeing and economic progress. Mill’s classical liberalist doctrine, on the other hand, stressed the importance of individual freedom, but was less optimistic about the market’s ability to self-regulate to benefit all. Mill conceptualised a market economy as one in which enterprises acted from self-interest without any reference to moral feelings. This he saw as compounding the problem of poverty rather than solving it.

There are two threads to Mill’s social and economic theory that have been born out in much of the theory and debates surrounding the New Economy (the move from heavy industry to technologically driven economies), as well as contemporary arts and cultural policy. Mill argued that an individual’s material fortune and progress was tied to the development of individual character influenced by education and circumstances.

Education, asserted Mill, would influence the development of prudence, foresight, and moral behaviour, which in turn would reinforce material progress. Thus he argued that a more equitable society would be derived from individual development rather than the invisible hand of the market or the visible hand of the law giver (Verburg 2006). Impeding Mill’s aspiration, however, was the condition of poverty in which much of the population lived. This he argued was compounded by their inability to devote time to the acquisition of knowledge (Verburg 2006, p. 237).
Like Adam Smith, Mill’s writing and economic theory were entwined with ideals of social reform and observations of the role that morality played in achieving a just and equitable society. From 1830 to his death, Mill tried to persuade the British public of the necessity of a scientific approach to understanding social, political, and economic change. To this end he demarcated the political economy from other forms of philosophical and economic thought that argued that economic growth stems solely from the desire for wealth (Verburg 2006, p. 231).

Furthermore, Mill argued for economics to be considered a science, justifying this separation from other forms of philosophical thought by making the distinction between art and science, he states:

The one deals in facts, the other in precepts. Science is a collection of truths; art, a body of rules, or directions for conduct. (Mill, Collected Works, IV: p. 312, cited in Verberg 2006, p. 230)

Asserting this distinction and proffering the role of empirical and normative analysis in explaining the social and economic forces that shape the fortunes of a society, Mill acknowledges the insights of poets and other imaginative writers on providing a means of moral improvements and knowledge by which an individual can change their material circumstances.

Despite his earlier distinction between economics (as science) and art as precept, Mill suggests that striving for individual material wealth will not only provide utility but will also distract us from deriving our own happiness towards other objects and ends, such as doing good for others and high pleasures in life such as art and music. He proffers a distinction between higher and lower pleasures, with higher pleasures including mental, aesthetic, and moral pleasures.

Within this context Mill clearly acknowledges the intrinsic value of the liberal or high art’s contribution to individual and societal wellbeing. This implies that all forms of Holden’s (2006) value triangle are reliant on each other in fostering Mill’s ‘utility’– a happy and just society.

John Maynard Keynes. Inspired by aspects of Mill’s writings, economist John Maynard Keynes, whose life overlapped Mill’s, but who came to prominence between the two
great wars of the twentieth century, acknowledged that in some contexts interventionist government policy was required, by which the government would use fiscal and monetary measures to mitigate the adverse effects of economic recessions, depressions and booms.

In his work *The General Theory of Employment, Interest, and Money* (Keynes 1936), Keynes argues that laissez-faire capitalism as advocated by those who chose to interpret Smith in such a narrow way is inherently unstable and requires heavy state intervention to survive. By implementing counter cyclical public investment he argues that government investment in public goods would encourage the private sector’s growth and stimulate the economy. Keynes is reputed to be the most notable father of modern theoretical macroeconomics. An interesting aspect of his approach to bolstering the economy during depressions was his willingness to consider and invest in creativity and the arts, arguing that they would provide an instrumental benefit to the British economy.

During the Great Depression in the 1930s, Keynes argued that ‘it is better to keep unemployed or underemployed artists in subsidised work than to pay them social security for doing nothing, sensible to keep otherwise unemployable construction workers busy building new opera houses, theatres and so on’ (Keynes, 1937, p. 3. cited in Pinnock 2006). Not only was Keynes an economist, but he was also a writer and philosopher and was a member of the Bloomsbury Group, which was active from the late 1800s until the beginning of the First World War. Not surprisingly, Keynes advocacy for supporting artists was informed by his close connection with members of the Bloomsbury group, such as writers Virginia Woolf, E. M. Forster and painter Roger Fry. Keynes argued that not only economic depression but also the increasing incidence of income tax, surtax, and death duties had destroyed the ability for many of the wealthy elite in society to patronise the arts, and so the state needed to step in.

**Keynes democratisation of the arts and culture.** In 1945 the Arts Council of Great Britain was formed, a post-war descendant of the Committee for the Encouragement of Music and the Arts. It was a scheme established with the instrumental aim to improve national morale during wartime. In addition, it was an attempt to provide employment for artists whose opportunities for working as artists and selling their works were diminished during the Second World War. In 1946 under Royal Charter, the Arts Council of Great
Britain became the Arts Council of England, with Keynes the founding Chair. In an essay just prior to its foundation, Keynes wrote:

At last the public exchequer has recognised the support and encouragement of the civilising arts as part of their duty. (Keynes 1945, cited in (Parliament of the Commonwealth of Australia & House of Representatives 1986, p. 21)

The task of an official body is not to teach or to censor, but to give courage, confidence and opportunity. (Keynes 1945, cited in Moggridge 2005, p. 552)

To this end the policy mechanism chosen by Keynes was an ‘arm’s length’ model that supported the establishment of semi-autonomous, non-governmental bodies. In 1946, the Arts Council of Great Britain developed a scheme to support the production and presentation of mainstream theatre, opera, and music. This form of government benevolence towards the arts continued past the late 1940s enabling the so-called democratisation of arts and culture in order that it could be more accessible to the public.

Keynes support for the arts and artists can be observed from two perspectives or motivations. Keynes had a personal interest in the arts and his status in government enabled him to a large degree to direct government investment toward this area. Despite his leaning towards instrumental policy making for broader social welfare, Keynes’ allegiance to the fine arts was to provide an avenue not only for the instrumental but also for the intrinsic value of the arts to gain primacy in perceptions of value and thus securing at the time almost unquestionable patronage and investment. The following diagram (Figure 3.4) uses Holden’s (2006) cultural value framework to situate the perceptions of value contributed by the arts during this time.
Questioning the Keynesian and the Arts Council’s preferred aristocratic patronage model, Pinnock (2006, p. 138) suggests that the earlier model proposed by the Council for the Encouragement of Music and the Arts in which audience development would have been encouraged through municipal education would have provided more equitable access to the arts and culture. As John Hartley (2005, p. 4) observes, ‘creative arts were a form of ‘Veblenesque’ conspicuous waste, cultural industries a form of commercial exploitation. Never the twain could meet, because one side was ‘honorific’ and the other ‘utilitarian’ at best’ thus perpetuating the division between the liberal and mechanical arts and by default delimitating the economic and public value contributed by differing forms of knowledge, creative processes and artefacts (ibid., p. 4).
During the periods considered in the preceding chapters, the role, economic contribution and social status afforded to creative production and creative professions shifted in terms of Holden’s conceptual framework for considering creative/cultural value.

During the early medieval period, in terms of Holden’s value triangle, the balance between the institutional, instrumental and intrinsic contribution made by the creative trades, such as masons, metalsmiths and painters, was a more balanced value triangle. Stemming from the time the guilds began to be differentated in terms of craftsmen and merchants, increasing social divisions began to appear between differing forms of creative activity: the painter of portraits became a virtuoso while the creator of fine glassware was still considered a tradesman. This division of social status and the higher value ascribed to works of art either to commemorate or celebrate a political or religious institution or a wealthy family stands in stark contrast to the attitude toward creativity when it is applied in trades that are fundamental to economic success, but less well-regarded.

The following chapter examines how the economic, political, social and cultural evolution that took place in Britain influenced the economic, cultural and social development of South Australia, and in turn the state’s current approach to supporting the development of creative capacity, the arts and culture. As South Australia is such a young state, the antecedents to South Australia’s contemporary conceptualisation and support for creativity stem from the time of settlement (1836) to now, where the production and expression of regional culture stemming from the liberal arts, mechanical arts and design are commonly referred to as the creative industries.
A state of the Arts (?)
Attempts to shape an arts and craft based economy in South Australia

This chapter considers the contribution made by creative individuals and institutions to the development of the South Australia’s cultural and economic development, the legacy of which informs contemporary conceptualisations and attitudes surrounding policies and investments in fostering creativity as an element of the state’s strategies for economic development. As in previous chapters the value contributed by creative individuals and enterprises is considered using an analytical lens informed by John Holden’s conceptualisation of value of cultural activity – *intrinsic, institutional and instrumental*.

The examination of developments in the areas of arts and crafts in the history of South Australia addresses the first research question: *How have differing conceptualisations of creativity’s role in the community and its value to the economy been reflected in the current definition of the creative industries South Australia?*

4.1 The only free colony in Australia: A story of enterprise and resourcefulness

Unlike other Australian colonies, there were to be no convicts in the fledgling South Australian settlement and accordingly the first settlers to arrive in South Australia in 1836 were free settlers. On December 28, 1836 the Buffalo with 160 free immigrants landed at Holdfast Bay. The beginning of European settlement in the British Colony of South Australia would have been a stark contrast to the rapidly growing industrial cities of England from where most of the new settlers departed. Woolcock (1998) argues:

*The structure of the state, the nature and extent of its involvement in civic and corporate life, and the organization of society together constitute the key factors determining whether a country succeeds or fails in development.* (p. 187)

From its beginnings South Australia has been a community of contradictions; of progressive settlement and town planning ideals, to a highly conservative and pious approach to life supported by the Methodist and Presbyterian churches whose strict church discipline and total way of life avoided ‘frivolous entertainments and all worldly pleasures’ (Manning, 2001). This attitude dominated much of the social and cultural tenor of South Australia’s settlement period.
Despite this environment of high moral expectations and religious dogma, South Australia was, in comparison to other Australian regional economies of the time, socially, economically and politically progressive. For instance, after statehood, SA was the first Australian state to extend suffrage to women in 1894. In 1896 women voted for the first time in Australia at an election for the House of Assembly. Radically for that era, South Australia also gave women the right to stand for Parliament in that same year.

This early liberal approach to matters of state and legislation contrasted with a highly conservative establishment with close ties to the church and a discourse of moral dogma. Fortunately this conservative thinking did not inhibit the resourcefulness of the early settlers in identifying and developing opportunities that would stimulate the state’s economic development. Historical accounts of South Australia’s settlement portray its citizens as resourceful and innovative, enabling them to manage living in a harsh and remote place.

4.1.1 The culture of South Australia not just defined by taming a harsh environment

The performing arts and the wowsers. In his book *A Colonial Experience*, Geoffrey H. Manning (2001) discusses the ways and venues in which the early settlers entertained themselves, noting ‘the citizens of Adelaide patronised theatrical and musical ventures which began to blossom in the embryo city. The first of which in 1837 was a makeshift theatre situated above the Adelaide Tavern in Franklin Street’ (Manning online, 2001). Three years later (1840) the oldest purpose-built theatre on mainland Australia, the Queen’s Theatre, was built, in Gilles Arcade/Playhouse Lane. The Queens commonly hosted popular theatre such as pantomime, circus, minstrel shows and vaudeville.

In spite of the politically and often socially liberal behaviour of many of the colonists in SA and their leaders, there was a strong strain of conservatism in the community (colloquially called wowserism) which gave rise to a conservative-liberal tension that exists to this day. In the 1850s the situation led to attitudes toward popular theatre, such as:

"A hot-bed of demoralization whose impure precinct no lady could enter without contamination, at which no man could sit out a performance without being disgusted, and from which all parents were bound to exclude their children. (Observer, 9 March"
This statement reflects the dogmatic stance of the Methodist and Presbyterian Churches prevalent in Adelaide, and the cultural restraint of the Victorian era when piety demanded strict observation of the Sabbath and a lifestyle that avoided frivolous entertainment. Therefore, it is not surprising the prevailing view was that the only form of legitimate theatre was that which served to educate, intellectually stimulate or provide a moral or Christian message, predominantly through opera, drama, morality plays, and works by Shakespeare.

This emphasis on high art indicates a clear value bias between differing forms of cultural expression determined by social class and status. As was the case in Britain at the same time, the intrinsic value of creativity in the form of artistic and cultural production was enjoyed and supported by the wealthy and often more highly educated section of the community. The cultural/class divide was further reinforced by the growing distinction between the ‘high’ or fine arts’ and popular culture as technology provided an avenue for new means of expression and distribution when, in the first decade of the 1900s, moving pictures began to attract previous theatre audiences. Richard’s (2005) in his history of Australian theatre suggests that film had a significant impact on reducing audiences attending popular live theatre. With the increasing sophistication of film production techniques and content, film was considered more than just a novelty and vehicle of popular entertainment for the masses. It was considered to be a legitimate means of recording and showing works of ‘high end’ cultural production.

4.2 The attempt to develop a state of the Arts

In the late 1800s and early 1900s a number of institutions were established to formalise the development of art/creative practitioners and to disseminate cultural expression in South Australia. Adelaide University’s historical commentary cites that Adelaide was the first settlement in Australia to establish a College of Music. The Adelaide College of Music was founded in 1883 by the pianist Immanuel Reimann and the young Cecil Sharp. In the same year Sir Thomas Elder established the Elder Overseas Scholarship between the Royal College of Music, London and the University of Adelaide.
In the years between 1884 and Sir Thomas Elder’s death in 1897 the Conservatorium in Adelaide was the first to have a professorship in music. Upon Sir Thomas Elder’s death he left a bequest to consolidate the Conservatorium’s educational offering of instruction in the Art and Science of Music. This institution, while clearly legitimising the value of cultural expression through music, also served to distinguish between amateur popular performers and elite, university trained professionals.

4.2.1 Pragmatism in early arts and crafts education

The development of the visual arts and crafts in South Australia also has a long and rich history, a history which laid strong foundations for our highly regarded contemporary visual arts and crafts sectors. Timms (2002) states that ‘South Australia led the other states in the development of arts and crafts education’ (p.38) thanks largely to the pioneers Harry Pelling Gill and Charles Hill. Both were influenced by the Art and Crafts Movement in Britain.

The formation of arts and crafts societies, the ‘working guilds’ espoused by Arts and Crafts magazine, was of major importance to Australian craft, and indeed to the arts in general, until the 1939-45 war (ibid., p. 38).

Established in 1856, the South Australian Society of Arts is argued to be the oldest functioning Society of Artists in Australia. Its founder, Charles Hill (1856), declared the society’s role to be:

*The cultivation of the Arts by means of lectures, conversations, the establishment of a School of Arts and Design, a permanent gallery, annual exhibition of works of art and such other means as may be designed. (cited in North 2004)*

In 1882 Gill became the first principal of the School of Art, administered by the National Art Gallery of South Australia within which the School of Design was absorbed after a separate existence of more than 20 years.

It needs to be noted that design as it is understood today is not how it was conceptualised in the mid 1800s in Australia. It is important when considering the evolution of the conceptualisation of design as a trade or profession to reflect on the

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14 Arts and Crafts was a magazine briefly published in Australia in the 1890s.
original translation of the Renaissance term *disegno* – to draw\(^\text{15}\). The historical development of design in Europe by the 1920s saw design activity being taken out of the heads and hands of craft workers and made a form of mental labour, a specialisation in its own right (Fry 1988, p. 17).

Timms (2002) contrasts the growing specialisation of design in Europe to its slow development in South Australia, pointing out that during this period in South Australia art courses were basic training for mechanical or sanitary engineers, plumbers, metal workers, joiners, carpenters and masons. Art within these training institutions would have more accurately been described as ‘trades drawing’ and illustrates the blurring of the boundaries between art practice and design (Timms 2002, cited in Bogel 2002, p. 38).

In September 1861 the South Australian Society of Arts moved into the South Australian Institute building on North Terrace, and from this date the school was known as the

\(^{15}\) Considering the contestation between the conceptually indulgent fine arts and the utilitarian mechanical arts, it is perhaps timely that consideration is given to the evolution of notions of design\(^\text{15}\) as a form of creative activity.

The word Design has evolved from the Renaissance use of the word *disegno*—to draw. As is the case now, drawing was a tool employed to plan and conceptualise the making of two and three dimensional artefacts, such as paintings and the built form. Design also differentiated the act of thinking and labouring – designer and maker.

The development of the design profession as we recognise it today is suggested to have commenced in Britain during the mid-nineteenth century, when the Schools of Design began to offer a broader curriculum than the previous focus on drawing. The British design schools sought to foster the development of skills in ‘visual innovation for manufactured articles’ (Julier, G. (2007). *The culture of design*, SAGE. In order to create a clearer distinction between drawings for artistic production as opposed to representation of utilitarian objects, the term design was subsequently replaced with the names ‘industrial art’, ‘decorative art’ and ‘applied art’.

Unlike modes of skills acquisition of the creative tradesmen during the medieval period, from the Renaissance on industrial artists, often developed their skills through a combination of formal training in the ‘design schools’, with apprenticeships in industry. Investment in the development of industrial artists provided manufacturers with the human capital that could enhance capacity as well as differentiate the production of their goods to a rapidly growing market of consumers. Despite an increasing reliance on the creative skills of this group of people for the production of consumer products, they were considered trades people. Accordingly as the design profession evolved from these labour class roots design was considered a minor profession (ibid, p.36). Julier highlights the serious disadvantage that using the terms ‘industrial art’, ‘decorative art’ and ‘applied art’ implied that the ‘profession was involved in the superficial addition of aesthetic measures to objects, rather than the creation of the article itself’ (ibid, p. 33).

During the early 20\(^\text{th}\) century, the movement to separate design out from art began the process of professionalising the practice of design. With this was a growth in education and training and the expectation of certain standards and knowledge, intellect and skill, which in turn stimulated the proliferation of institutions dedicated to the promotion of various aspects of design and the systematising or safeguarding of its practice (ibid).
School of Design, retaining its strong emphasis on drawing. Summarising Timms’s observation, Bogle (2002) states:

Art schools and technical colleges, design training was traditionally allied to the acquisition of handicraft skills. Australia’s failure to industrialise until the early decades of the 20th Century continued to valorise craft skills and kept ceramics, woodworking and textile arts courses in the technical college curriculum after they had withered away elsewhere. (p. xv)

The pragmatism behind an educational bias towards materials-based making skills understood as design (trades drawing) as opposed to the training of fine artists is eloquently expressed by Peter Timms (2002) in his essay on Art Education in School and Technical Colleges in which he states:

In a fledgling colony there could be little justification for a school of fine arts and little chance such a school would secure private or public funding. Gill’s course of pursuing applied arts that were likely to be useful for the improvement of manufacturers was, therefore, the sensible option… Not until the late 1930s did this bias towards the useful arts give way to greater emphasis on painting printmaking and sculpture. (Timms 2000, cited in Bogel 2002, p. 39)

While the university and other institutions were without doubt held in great esteem by the educated citizens of Adelaide and the state, it is clear that the development of a pragmatic creativity was considered most valuable to the state’s economy.

4.2.2 The development of an arts and crafts focus in twentieth century South Australia

Inspired by the success of the Edinburgh Festival, in 1958 Sir Lloyd Dumas hosted a dinner to which he invited many well-respected businessmen to discuss his proposal for a major arts festival in Adelaide. The nucleus of this group was to form the first Festival Board of Governors of the Adelaide Festival of Arts, the first of which was held in 1960. Sir Lloyd and Professor Bishop convinced the Artistic Director of the Edinburgh Festival, Ian Hunter, to help run the first Festival, with Professor Bishop as the inaugural Artistic Director.

Not long after the Festival’s inception there was significant criticism of the adequacy of performance venues, which prompted a decline in attendances of Festival events. It was in light of this that in 1965 the Adelaide City Council proposed the building of a purpose built concert hall with associated facilities. Adelaide’s realisation of a purpose built
performance venue of international standard was a long process, with building work on the Adelaide Festival Centre commencing in the late 1960s under Steel Hall’s liberal Premiership, and completed after the rectification of financial problems\textsuperscript{16} under the premiership of Labour leader Don Dunstan during the 1970s.

Support for the Arts throughout the 1970s. This period in South Australia’s political and social development was arguably a high point in terms of the support afforded to the creative arts in South Australia. Since the 1970s the social context, community values, economic environment, and the means of creation and distribution by the Arts and cultural sectors in South Australia have changed significantly. So too has the nature and level of government support for the development of creative individuals, design, the Arts and culture. At a policy speech given by Dunstan in early 1970 he promised that South Australia would become the centre of social reform in Australia within which technology, design, and the Arts were key elements.

Giving physical form to this statement, in 1973 the first stage of the Adelaide Festival Centre development was opened to the public by Labor Prime Minister Gough Whitlam with Don Dunstan by his side. The Adelaide Festival Centre was Australia’s first multi-functional performing arts complex. As Lance Campbell (1998) writes in a publication celebrating the Festival Centre’s 25\textsuperscript{th} birthday: ‘before the Sydney opera House and the Victorian Arts Theatre, Adelaide’s Festival Centre was blazing the trail (…). It made Adelaide the Arts capital of Australia (p.124)’.

In the 1970s South Australia was renowned within Australia and internationally for its support of cultural activities, the Arts, craft, and design. In the main this is due to the political influence of Don Dunstan as Premier and Minister for the Arts (1967-1968, 1970–1979). Despite the clear agenda of government support for the Arts in South Australia, there was no administrative infrastructure in government to support the Arts, however.

\textsuperscript{16} In order to get the project back on track, the state government offered to provide financial assistance in order to finish the complex. This assistance was under the proviso that the new Festival Centre complex was administered by a Trust of six members and that the government had the right to appoint two. Thus in 1972 the Festival Centre Trust as it is known today was established by an act of parliament signalling the South Australian government’s ongoing commitment to support the Arts and cultural activity in this state.
The formalisation of state government involvement in the development and support of the Arts and cultural life in South Australia occurred in 1970 when Dunstan engaged as a Ministerial appointment Len Amadio (then local concert manager for the ABC) and a small Arts Development Branch of the Premier’s Department and an appropriate public service post were created to support him in his role to work in both the Arts and tourism development. The combination of these two policy areas reflected a growing appreciation of the instrumental and institutional value the Arts, culture, and creative activity were playing in South Australia’s economy at the time. An enduring example of the importance accorded the creative arts during the 1970s is the Adelaide Festival of Arts. Since its establishment the Festival has provided a springboard for cultural exports that not only forge international links between SA and the rest of the world, but also provide arts companies the opportunity of increased income generation, international recognition, professional development opportunities for artists and arts companies.

In his book *Felicia* (1981), Don Dunstan reflects that development of the arts infrastructure at this time absorbed much of Len Amadio’s attention, and the work being undertaken. Arts development saw the government giving support not only to the development of physical infrastructure but also theatre companies, a local modern dance group, and the South Australian Arts Council, which funded country tours of performing groups. The State Theatre Company, the Film Corporation, and the establishment of the Regency College of Hospitality are all part of the institutional legacy Dunstan created for the creative sectors in South Australia.

Supported by Dunstan’s socially progressive vision for the state, he drove a policy reform agenda that included town planning and the environment, anti discrimination laws focusing in particular on women’s rights and Aboriginal Land rights. At the time Dunstan became Premier, South Australia like other Western societies was undergoing radical social change with the growing affluence of the middle class, reforms to and expansion of public education system, the financial support for the arts and the relaxing of censorship and drinking laws all provided a catalyst for invigorating South Australia’s social, artistic and cultural life.

**Support for the applied arts.** The performing arts were not the only benefactors of Dunstan’s vision and political will during the 1970s and 80s; so too were the crafts
(applied arts) and design. The establishment of the Craft Authority in 1973 had its genesis in political stirrings that began as early as 1967, with Don Dunstan’s idea that ‘cottage industries’ could be used to underpin the state’s ‘languishing industrial base’ (Ward 1987). Inspired by the developments of the craft movement in the United States and in the United Kingdom, Dick Richards, a political associate of Don Dunstan, initiated a meeting of artists and artist-craftspeople to discuss the establishment of a centre for crafts in Adelaide.

In 1970 Dunstan engaged Dick Richards to undertake an overseas study tour of craft-based and artist-design industries in Scandinavia and the UK, most notably Kilkenny Design Workshops in Ireland. Loosely based on the social and aesthetic ideals of John Ruskin and William Morris, Dick Richards’s report led to the establishment of the Craft Authority in 1973, and the opening of the Jam Factory Craft Centre in 1974 at St Peters (Ioannou 1998).

A report on the activities of the Authority in 1974 outlines the approach to be adopted for achieving the organisation’s aim to ‘develop technique and design for local craft workers; to develop marketing and production, and to promote South Australian materials (Menz 1994). It was anticipated that the development of craft-based industries would strengthen South Australia’s narrowing industrial base.

Interestingly, the common practice during the Medieval period whereby regions and guilds sought to develop their skills base and production capacity by importing tradesmen from other regions was replicated by the Jam Factory workshops, where, except for ceramics, all of the workshops were headed by skilled artists and craft practitioners from overseas. It was not until 1979 that an Australian workshop head was appointed to the ceramics workshop.

The Jam Factory’s establishment was primarily driven by a political and economic development agenda, not, as with other forms of creative expression, supported on the basis of providing social benefit to the community and a forum for cultural expression. Throughout the Jam Factory’s history, the vision and imperatives of its stakeholders have been in flux, ranging from a focus on generating instrumental value for a flagging manufacturing sector and as a means of utilising endogenous raw materials such as jade
from the west coast of South Australia to a focus on generating intrinsic value through the production of bespoke objects, whether utilitarian or not (Menz 1994).

**A special case: Design.** Considering the contestation between the conceptually indulgent fine arts and the utilitarian mechanical arts, it is perhaps timely that consideration is given to the evolution of notion of design as a form of creative activity.

During the early twentieth century the movement to separate design from art began the process of professionalising the practice of design. With this was a growth in specialised design education and training and the expectation of certain standards and knowledge, in turn stimulated the proliferation of institutions and publications dedicated to the promotion of various aspects of design and the systematising or safeguarding of its practice.

Coinciding with the growing support for the performing and visual arts and craft in South Australia in the late 1960s and 1970s design was also a beneficiary of Dunstan's appreciation for the value of culture and the creative individual to social reform and the economic sustainability of South Australia. Architect and British Design Council Board member Philip Cox observed in 1986: ‘there has been a dependence on the adaptation of foreign designs, or straight use of these, rather than the encouragement of Australian inventiveness and creativity’ (Frey in Bogel 2002, p. 8).

Whilst Australia has been seen as a small and marginal manufacturer by international standards, Timms’s statement implying general failure is clearly an overstatement when considering the industrial development that occurred in South Australia, especially in the 1950s during the Thomas Playford\textsuperscript{17} era.

Based on the British Design Council model, the Industrial Design Council of Australia was established in response to lobbying by a number of design associations in the late 1950s with the aim to establish, maintain, and promote high standards of design in manufactured goods, and to foster the appreciation of design in the community at large. In 1969 an Australian Design Centre was opened in Adelaide on Rundle St with the

\textsuperscript{17} A Liberal conservative, like Keynes, Playford turned his back on aspects of laissez faire economics and used policy and investment in incentives such as affordable housing provided by the Housing Trust of South Australia to encourage industry and end workers to relocate to South Australia.
support of the South Australian government. The Design Centre sat under the umbrella of The Industrial Design Council of Australia and was initially funded by the Commonwealth government.

Seeking to capitalise on these developments, in the early 1970s the Industrial Research Council was set up to support or initiate research into new products or processes which could be taken up by South Australian industry. As Don Dunstan recalled, ‘The State also gave considerable support to the local operations of the Australian Design Council with the aim of improving the design quality of South Australian products’ (Dunstan 1981).

What Australia and South Australia did not do during this time of industrial development was invest in the development of specialist design skills. Fry (1988) comments on the differences in Australia’s design history as opposed to the development of design as a profession in Europe. The most significant difference, he states, is in the way in which in Australia:

\[\text{Art education doubled up for many years as the basis for designer training. This meant that the roles of artists and designer often overlapped when contrasted to} \]
\[\text{countries which had established specialist education for design professions ... such} \]
\[\text{conditions prevailed until the 1960s, when industrial/product design education was} \]
\[\text{developed in Australia... Ironically, as we now see, this occurred at the very moment} \]
\[\text{that the manufacturing base started to decline. (p. 14)} \]

4.2.3 Changes wrought by neoliberalism and the emerging New Economy

The globalisation and deregulation of markets, the development of technologies for increased industrial production, and the lower cost of labour in developing economies in Asia has had a significant impact on small scale manufacturing and cottage industries in South Australia. The market for handmade contemporary craft supported through the establishment of the Jam Factory in 1974, has changed considerably. Up until the late 1980s studio based professional craftspeople were for the most part able to make a sustainable (however meagre) living from their production and were supported through Arts SA’s competitive arts funding program, and the strong advocacy of the Premier Don Dunstan up until his resignation from the premiership and politics in 1979. Since this
time, the deregulation of the Australian economy and the reduction of import tariffs. Craftspeople, such as potters who had developed ranges of brightly coloured tableware, found it increasingly difficult to compete with imports, many of which had copied studio-based designs, either legally or ignoring copyright.

The need to differentiate and demonstrate the value of their bespoke handmade works in comparison to mass produced products led to the increasing professionalism and commercial focus of many craftspeople. At the same time, an increasing number of craft-based artists and craftspeople were utilising new materials and combining industrial techniques to produce works of aesthetic and design quality that would allow them to be recognised as individual artists. They were attempting, in essence, to market their brand. Many of the practitioners who worked in this way preferred to use the term designer-maker, rather than crafts-person with its connections of country craft fairs and hippies making brown pots in their ramshackle sheds to sell at fairs on their hessian covered trestle.

Not only were changes in the market influencing the changing aesthetic and market focus of contemporary craft practitioners, so too was the pre-industrial notion of learning through repetitive production guided by a master. Craft historian, Norris Ioannou (1998), suggests that in the late 1980s to 1990s this increasing sophistication and professionalism of the crafts-person was due in part to the:

> Greater proportion of craft practitioners graduating from courses which are structured around design.

As a consequence he suggests:

> They tend to demonstrate a lateral problem-solving approach to materials, form, function and ornament, one which differs from the previous linear, solely technical approaches. (pp. 8-10, 38-9)

Some years later in an article in Object magazine, Ioannou (1992) suggests that:

> The growth of a design culture and the emergence of a group of professional craftspeople who referred to themselves as designer-makers set the scene for a more successful grafting of craft, design, and industry. (pp. 22-27)

Ioannou’s observations of the changes occurring within the crafts sector continued into the late 1990s with his statement that:
Today craft practitioners have the opportunity to select from one of a number of approaches to creative making, with a proportion preferring to keep their options open, and being multi-skilled, shift readily from studio work to industrial prototyping. (Ioannou 1997, pp. 13-39)

This evolution of art, craft/design practice was a primary driver for Craftsouth to develop the Applied Ideas program as discussed in the Prologue to this thesis.

4.3 South Australia’s shifting creative and cultural balance – from intrinsic and institutional value to instrumentalising policy outcomes

Although having a relatively young cultural and creative history in terms of Colonial settlement, the rapid development of South Australia’s educational and institutional structures supported development of creative knowledge bases that stimulated the production of cultural artefacts stemming from the visual, performing and literary arts and the design and production of utilitarian goods of high aesthetic quality.

From the time of South Australia’s settlement, wealthy patrons and educational institutions have supported the development of artistic and cultural production for its institutional and intrinsic value to support the moral and social well being of the South Australian community. The significant institutional value provided for and contributed to by South Australian creative individuals and organisations from the time of settlement until the 1970s was often enabled through investments made by wealthy South Australian individuals with a passion for a particular artistic or cultural expression. As was seen through Keynes’ influence over the exchequer to fund the arts in Britain, during the Premiership of Don Dunstan the development and funding of arts and cultural institutions in South Australia was driven by his personal passion for the arts.

From the time of settlement until the significant industrialisation of the state’s economy wrought during the Playford era the cottage based design and manufacture of utilitarian goods by the state’s craftspeople and artisans were in most part supported by professional associations and trades guilds. The shift from private patronage to public patronage occurred with the establishment of the Keynesian modelled government arts agency in 1970 under the political patronage of the state’s Premier Don Dunstan.
The programs established provided opportunities for writers, filmmakers, performing and visual artists and craftspeople to apply for funding to support projects within their creative practice. At the time of the establishment of the state’s government arts agency significant social change was occurring throughout the world and creative professionals and not-for profit groups enjoyed a greater freedom of expression than ever before. Government support enabled many artists to perform and exhibit their works to an expanding population of middle class whose interest in the arts, culture and, design often resulted in attendance at performances and the purchase of works of South Australian artists and designers. Additionally the growing popularity of the Adelaide Festival of Arts led Adelaide to be identified as a place to experience an edgy arts scene (in February every two years at least).

Under Dunstan’s leadership South Australia became renowned internationally for its support of the arts and culture. When he retired from politics all sides of government claimed that the legacy of Don Dunstan’s support for the Arts would endure regardless of whatever party was in power. Despite the evolution of forms of creative activity and an expanded notion of South Australia’s arts and cultural producers as an industry in their own right, aspects and remnants of last century’s arts and cultural patronage, funding programs and institutions inspired by Keynes endure. For many artists and cultural groups government funding was the only means they had of development and sustaining their creative practice. A reliance on government support as a means to sustain an arts/creative practice endures in the minds of many of the state’s artists as the primary resource of support for the state’s contemporary creative industries. Yet without the strong support of an empathic Premier such as Don Dunstan, the arts, cultural and creative sectors not only struggle financially but also struggle to demonstrate their legitimacy should the states Cabinet and Treasurer not consider them valuable to the state’s economy.

The preceding chapters have demonstrated a parallel in the evolution of constructs of social status and value afforded to creative individuals and their respective creative disciplines. In a South Australian context this has not only influenced public perceptions
of the value of differing forms of creative aptitude and artistic and cultural production, but also the state’s approach to developing creative capital and supporting cultural activity prior to the 1980s and the emergence of the New Economy.

As sectors of the creative professions within South Australia seek to demonstrate their legitimacy in terms of public recognition of their value and benefit to the community, which in turn influences government support and investment in the creative sectors, an uneasy tension arises between acknowledging and preserving past conceptualisation and values ascribed to creative individuals and practices and contemporary social, political and economic values.

Changes to the global economy and the increasing influence of neoliberal economic theorists within government in Western economies meant that public investment in the intrinsic and sometimes intangible value contributed to regional economies by creative individuals, institutions and support organisations for creative professionals is increasingly questioned, diminished and in many cases diminished. And the fact remains that patronage of not-for-profit arts (particularly experimental art forms) and cultural activity remain reliant on influential government agents and wealthy individuals or companies advocating for continued government/public investment.

Changes to the types of and markets for creative expression demanded by both the public sector and individual consumers have significantly influenced the business and practice models of South Australia’s creative practitioners. This in turn suggests that a revision is required to how the creative sectors are conceptualised and defined how their role and value in the state’s economy is understood and the form of the institutions that are required to support their development and sustainability.

In the 2004 South Australian Strategic Plan, Premier Mike Rann called for South Australia to develop its ‘capacity to do things differently’ in order to achieve all the goals developed for the state’s future. Yet since the establishment of Arts SA in the 1970s and significant changes to the nature of arts, cultural and creative production, South Australia has demonstrated a relatively path dependent policy framework based on funding institutions inspired by Keynes during the ‘old economy’.

The following chapter examines the conceptual frameworks and definitions of the so called creative industries. Multiple definitional frameworks have been developed to
understand the changing dimensions of the arts, cultural and the ‘creative sectors’ since the notion of the *creative industries* came to the fore in academic and policy circles during the 1980s. Since this time, many Western governments have adopted this terminology. In spite of the frequent use of the words, *creative industries* and *creative economies*, however, all the high hopes and prognostications associated with them, the meaning of the terms is not fully conceived, explained, narrated or understood, either throughout regional governments or academia.
Meaning making: What’s in a word (or two)?

‘When I use a word,’ Humpty Dumpty said, in a rather a scornful tone, ‘it means just what I choose it to mean—neither more nor less’.

‘The question is,’ said Alice, ‘whether you can make words mean so many different things’.

Through the Looking Glass and What Alice Found There. Lewis Carroll (1871)

The following chapters examine the discourse surrounding the definitions, revisions and contestations of the parameters of the arts and culture sectors. Some definitions support the idea of institutional and intrinsic contributions to communities and the economy. Other definitions include the recently emerged creative sectors that are closely related to science and technology. Views of creativity as an aspect of technology interpret it as making a more linear and instrumental contribution to economic development than earlier creative activities. The differences in definition have stimulated both broad and narrow conceptualisations and articulation of creativity’s contribution to the economy, as contained in the Creative Industries in South Australia report (2005) and the Fostering Creativity targets of the 2004 South Australian Strategic Plan.

The introduction to this thesis established that the creative industries consist (in no particular order) of such activities as the performing arts, design, film, fashion, architecture, video, publishing, radio, art, photography, software development and online content, computer games and animation and dance. Events and activities conducted in these fields account for a significant and expanding proportion of GDP in many advanced economies, with their ascendancy linked to the impact of information and communication technology (ANU 2008). Their influence is felt throughout the whole economy, and countries are moving to frame advocacy and policy around the broader concept of the creative economy (ANU 2008), and looking to what have been termed the creative arts, including the visual and performing arts, to stimulate innovation, even outside their direct spheres of influence. Associated with the output is also the idea of culture and cultural activity.

It is widely acknowledged that the term creative industries was first introduced into government and policy in the UK in the late 1980s. Numerous academics (Pratt 1997;
Flew 2002; Healy 2002; Hesmondhalgh 2002; Heartfield 2002; Cunningham 2003; Caust 2004; Pratt 2005; Galloway & Dunlop 2007) credit the development of the term to the incoming Blair Government that established a task-force of interdepartmental and industry representation to re-brand already well established cultural industries. Adopting the term creative industries has been described by many as principally a tool for bolstering the UK’s trade image as the pre-eminent place for culture and creativity – thus the phrase ‘Cool Britannia’ was used in much of the promotional literature during this time.

The Creative Industries Task Force appointed by the Department of Culture Media and Sport (DCMS) prepared an industry mapping document in 1998 in which it defined the creative industries as:

_Those activities which have their origin in individual creativity, skill and talent and which have the potential for wealth and job creation through generation and exploitation of intellectual property._ (DCMS 1998, p. 3)

On the basis of this definition Garnaham (cited in Hesmondhalgh and Pratt 2005) suggests that the term creative industries was developed primarily in order to promote the development of industries based on the exploitation of intellectual property such as film, and TV production and the newer multimedia industries; and not about promoting and supporting the development and sustainability of less commercially viable forms of arts and cultural practice.

Following the UK’s lead of defining what they call the creative industries, a number of notable academics have sought to define, set industry typologies and boundaries of what they consider constitutes the part of the economy in which individuals and the creative process are fundamental to the development and supply of cultural products and services to the broader economy. Tables 5.1 and 5.2 compare definitional frameworks proposed by a number of prominent academics and agencies participating in the creative/cultural industry discourse.
Table 5.1 Comparison of frameworks and sectors included in creative/cultural industries definitions (Andrew 2005)

<table>
<thead>
<tr>
<th>Creative Industries</th>
<th>Cultural Capital</th>
<th>Creative Industries</th>
<th>Creative Industries</th>
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<tbody>
<tr>
<td>Creative Industries</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>supplying goods and services that we broadly associate cultural artistic, or simply entertainment value</td>
<td>core creative arts location of the primary artistic producers at the centre producing text, sound, image in both old and new art forms wider cultural industries film, television, publishing, video games, etc</td>
<td>advertising architecture music art and antiques markets performing arts computer and video games crafts publishing design software designer fashion film and video television and radio</td>
<td>the creative industries are those industries that are based on individual creativity, skill and talent. they are also those that have the potential to create wealth and jobs through developing intellectual property architecture music art and antiques markets performing arts computer and video games crafts publishing design software designer fashion film and video television and radio</td>
</tr>
<tr>
<td>book &amp; magazine publishing visual arts (painting, sculpture) performing arts (theatre, opera, concerts, dance) sound recordings cinema &amp; tv films fashion toys &amp; games</td>
<td></td>
<td></td>
<td></td>
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</tbody>
</table>
Table 5.2  Comparison of frameworks and sectors included in creative/cultural industries definitions (Andrew 2005)

*The rise of the creative class* | PMSEIC (Prime Ministers Science Engineering and Innovation Council 2005) | DOCITA (Aust Govt, 2007) |
<table>
<thead>
<tr>
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<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Creative Class</td>
<td>Creative Industries</td>
<td>Culture-related Industries</td>
</tr>
<tr>
<td>computer and mathematical occupations</td>
<td>based on the Queensland Creative Industries Strategy definition of creative industries</td>
<td>based on the Australian and New Zealand Standard Industrial Classification (ANZSIC) printing</td>
</tr>
<tr>
<td>architecture and engineering occupations</td>
<td>writing, publishing &amp; print media</td>
<td>newspaper printing and publishing</td>
</tr>
<tr>
<td>life, physical, and social science occupations</td>
<td>architecture, visual arts and design</td>
<td>other periodical publishing</td>
</tr>
<tr>
<td>education, training, and library occupations</td>
<td>advertising, graphic design and marketing</td>
<td>book and other publishing</td>
</tr>
<tr>
<td>arts, design, entertainment, sports, and media occupations</td>
<td>film, television and entertainment software</td>
<td>architectural services</td>
</tr>
<tr>
<td>management occupations</td>
<td>performing arts</td>
<td>advertising services</td>
</tr>
<tr>
<td>business and financial operations occupations</td>
<td>music composition and production</td>
<td>commercial art and display services</td>
</tr>
<tr>
<td>legal occupations</td>
<td></td>
<td>film and video production and distribution</td>
</tr>
<tr>
<td>healthcare practitioners and technical occupations</td>
<td></td>
<td>motion picture exhibition</td>
</tr>
<tr>
<td>high-end sales and sales management</td>
<td></td>
<td>radio and tv services (including broadcasting)</td>
</tr>
<tr>
<td>based on the Queensland Creative Industries Strategy definition of creative industries</td>
<td></td>
<td>libraries and museum</td>
</tr>
<tr>
<td>writing, publishing &amp; print media</td>
<td></td>
<td>parks and gardens</td>
</tr>
<tr>
<td>architecture, visual arts and design</td>
<td></td>
<td>music and theatre production</td>
</tr>
<tr>
<td>advertising, graphic design and marketing</td>
<td></td>
<td>creative arts</td>
</tr>
<tr>
<td>film, television and entertainment software</td>
<td></td>
<td>musical composition, the literary arts, and visual arts such as painting, drawing, sculpture, pottery, etc.</td>
</tr>
<tr>
<td>performing arts</td>
<td></td>
<td>services to the arts</td>
</tr>
<tr>
<td>music composition and production</td>
<td></td>
<td>operating sound recording studios;</td>
</tr>
<tr>
<td></td>
<td></td>
<td>operating performing arts venues (e.g. entertainment centres, concert halls, playhouses and opera houses);</td>
</tr>
<tr>
<td></td>
<td></td>
<td>providing services to the arts, such as casting</td>
</tr>
<tr>
<td></td>
<td></td>
<td>agency operations, costume design services, set design services and theatre ticket agencies</td>
</tr>
<tr>
<td></td>
<td></td>
<td>video hire outlets and photographic studios</td>
</tr>
</tbody>
</table>

Comparing the content in Tables 5.1 and 5.2 illustrates clearly that definitions range considerably in scope and detail from being conceptually focused on human capital and the creative capacity of individuals and occupations, a descriptor of the production function, or a grouping of like products and services or a categorisation of industry typologies. The diversity of definitional parameters demonstrates the conflicting terrain in which the contribution of creativity and creative enterprise (either for profit or not for profit) is being considered.
Richard Caves’s (2000) definition of the creative industries is one that adheres to the commonly accepted notion of creativity’s association with cultural production, the arts and entertainment observed through a framework based on the theory of contracts. David Throsby (2001) focuses on differentiating cultural capital as either tangible or intangible and via degrees of artistic and commercial intent. Others, such as the United Kingdom’s Department of Culture, Media and Sport (DCMS), Charles Landry, and PMSEC\(^\text{18}\) offer an expanded list of creative industries and include those that are on the cusp of the arts, technology and entertainment.

More prescriptive definitions based on production outputs are offered by the Australian Department of Communication, Information Technology and the Arts (DCITA) which bases its definitional parameters around ANZSIC industry classifications. Richard Florida (2003) focuses his theoretical argument from an economic geographer’s perspective, placing human capital as the main resource of a creative economy as its stock of creative capital, or as he has termed it, the ‘creative class’ that includes professions not commonly considered as requiring creativity as a critical aptitude, such as high-end sales and sales management.

**5.1 Trying for more meaningful and inclusive frameworks**

The following section examines the discourses that have sought to move away from linear listings of industries that seek to describe what constitutes the creative industries to propose more loosely defined frameworks that conceptualise creative arts and cultural activity within interrelating spheres or nodes of activity and production.

**5.1.1 Discourse by UNESCO: Core and related products**

UNESCO has been particularly influential in the definitional discourse surrounding the creative industries and the creative economy. A UNESCO report (2005) assessing the relative size, distribution and trends of the global trade in cultural goods and services describes the creative industries as comprising sectors in which the product or services contain a substantial element of artistic or creative endeavour, including activities of

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\(^{18}\) This report was prepared by an independent working group for the Prime Minister’s Science, Engineering and Innovation Council (PMSEIC) and was presented at the 14th meeting of PMSEIC on 2 December 2005. The report provides recommendations for leveraging the intellectual and creative wealth of the nation (Prime Minister’s Science Engineering and Innovation Council Working Group and (PMSEIC) (2005). Imagine Australia: The Role of Creativity in the Innovation Economy, PMSEIC.
cultural and artistic endeavour (music, art, dance), as well as activities such as architecture and advertising. The report defines ‘cultural products’ as the output of cultural and creative industries which serves to succinctly delineate the differing intentions of the creative enterprise, between the ‘core’ cultural products and the ‘related’ creative industries that facilitate their production and distribution.

Interpreting the notion of a core within a series of concentric circles, Figure 5.1 represents the demarcation Justin O’Connor (1994) refers to between areas involved with mass production and distribution, and hence more directly connected with the market, and the more artist-centred areas of culture, which can retain a focus on quality as assessed by their peers (p. 4, cited in Flew 2002, p. 5).

![Figure 5.1](image)

**Figure 5.1** Relationship between core cultural products, related creative industries and the broader market for goods and services

UNESCO proposes that the creative industries take in a wider view of creative practice than the more traditional view of the cultural industries, to include areas such as software, advertising, architecture and business intelligence services.

5.1.2 **The discourse of the Creative Community Tree**

Philip Iocssa (2005) observes the diversity and complexity of the creative industries using a genealogical model. His Creative Community Tree (Figure 5.2, Attachment 1) distinguishes between modes of creative practice art and design, and places them as core
nodes from which creative sub-sectors and related fields stem. He places these two nodes at different ends of the creative spectrum which are linked by the ‘creative community’ that consists of stakeholders directly engaged with the creative sectors. Notable in this framework is the inclusion of the culinary arts.

Iocssa’s (2005) framework (Figure 5.2, Attachment 1) offers a diagrammatic representation of creative industry typologies and the clustering of creative sub-sectors within which there is a diversity of economic intent; for example, the highly commercial TV sector is linked to the not-for-profit performing arts sector. The Tree illustrates that the creative industries contain numerous sub-sectors contributing to multiple other sectors in many differing combinations towards the production of creative or cultural products, including consumer products, popular entertainment, presenting our arts and cultural heritage and creating our contemporary built environment.

These industry sectors are as diverse creatively as they are in respect to income generation, workforce structure, production chains and value networks to which they contribute, communication dynamics within and across communities of practice, enterprise development, location preferences, and research and development investment needs.

Some arts and cultural theorists argue that including industries that operate essentially outside of the arts and cultural sphere (such as advertising) but draw upon the artists and designer in order to communicate symbolic meaning undermines the ability of policy makers to easily differentiate the attributes and contributions and needs of each sub-sector of the creative industries. They assert the homogenisation of essentially distinct creative practices into one all encompassing industry clouds and confuses policy makers’ understanding of the roles and value afforded to the community and the economy by the not-for-profit creative sector by setting the intrinsic value it generates for the community against the economic value generated by the commercially focused sectors that draw on creativity to generate a product.

The following section considers the creative industries definitional discourse that steps away from listings and representations that imply that the boundary between being either in or out of the creative industries is static and impervious.
5.1.3 Revising the industry model

The homogenisation of vastly differing activities within an industry model that measures value in terms of GDP sets up ill-informed comparisons of the economic value contributed by different sectors of the creative industries. This raises doubts about the appropriateness of using the word industry in this context.

Ostrom (1975) argues that:

> Words and language are the fundamental tools of policy analysis. … An essential characteristic of any language is that it enables persons to use words to characterise or classify a variety of phenomena that share some specifiable attribute or relationship. (p. 274-275)

He observes problems that can arise from the assumption of a universal understanding of terms used to describe events or specific attributes and states, ‘when simple terms are used to characterise complex events substantial confusion can result’ (ibid, p. 276). And Burns (1999) suggests that the term ‘industries’ is problematic:

> Perhaps if a new post-industrial term was coined the arguments would be more easily understood—steering perceptions away from an older industrial mode. (p. 13)

As John Holden observes (2006) the value derived from creative/cultural activity and production can be intrinsic, instrumental or institutional. Often the value of creative and cultural expression that is intrinsic to an individual is not immediately or readily translated into tangible action or outcomes with monetary value. Citing the work of Hirsch (1972) as informing their argument, Hesmondhalgh (2002) and Power and Scott (2004), along with Hesmondhalgh and Pratt (2005), propose that the boundaries between symbolic and cultural production and other ‘non-cultural’ production are porous, provisional and relative. They argue that:

> The main interests in such industries are the symbolic, aesthetic and … artistic nature of their output, because these outputs can potentially have such a very strong influence on the very way we understand society – including of course cultural production itself. (2005, p. 10)

To this end they conceptualise the definitional boundaries or intersecting spheres of activity of the cultural or creative industries as relating to the differences between utilitarian function and non-utilitarian (artistic/aesthetic/entertainment) production rather than categorising activities according to their economic potential.
Articulating the relationship between the creative industries and publicly funded culture. John Holden (2007) argues that a conceptual framework is needed that not only illustrates industries considered part of the creative or cultural industries and their relationship to each other but also a framework that begins to articulate the relationship between the creative industries and publicly funded culture; one that can help demonstrate the relationships between the cultural and creative industry and the rest of the economy. Holden (2007) illustrates this with three interlocking spheres of cultural production (Figure 5.3).

Method of production. Seeking to offer a means to differentiate between the cultural and creative industries, Hesmondhalgh (2002) and Towse (2003) propose that the defining characteristic between the cultural and creative industries is the method of production. Not including the fine arts, the cultural industries can be defined as those that employ industrial technology and models of organisation to produce cultural goods and services, such as books and records; and those where the cultural form is industrial, such as newspapers, films and television programmes (Galloway & Dunlop 2007).

Towse (2007, cited in Galloway & Dunlop 2007) suggests that cultural industries include ‘those that mass produce goods and services with sufficient artistic content to be
considered creatively and culturally significant (p, 24) which reflects Bourdieu’s notion of the ‘field’ and ‘habitus’.

The question is who and what determines the significance of cultural products: the ‘field’ and its academic gatekeepers; the size and contribution of the industry to GDP; the biases of politicians? Is it the pragmatic policymaker or the market?

**Intent and the nature of markets.** In addition to, and in many ways, supporting his consideration of cultural or creative production through the lens of intrinsic, institutional and instrumental values, John Holden (2007, p. 4) examines the relationship between culture and creativity, art and commerce, and publicly funded culture and the commercially focused creative industries. He focuses on cultural products, the intent of the production function, the nature of markets and transactions, rather than the application of creativity within other industry contexts such as design or pure science research. Holden (2007) uses the following illustration to demonstrate the spectrum and differences in intent in the production, exchange and consumption of artistic and cultural goods (Figure 5.4).

<table>
<thead>
<tr>
<th>ARTS</th>
<th>limited edition</th>
<th>COMMERCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>unique</td>
<td>infinitely replicable</td>
<td></td>
</tr>
<tr>
<td>live music at a small venue</td>
<td>live music at a festival</td>
<td>vinyl</td>
</tr>
<tr>
<td>painting</td>
<td>print</td>
<td>book illustration</td>
</tr>
<tr>
<td>costly</td>
<td>free</td>
<td></td>
</tr>
</tbody>
</table>

**Figure 5.4** Historical arts and culture commercial exchange model mediated by gatekeepers (Holden 2007, p. 13)

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19 Social and cultural theorist Pierre Bourdieu (1986) is noted for his theoretical framework in which he conceptualises differing forms of capital. In *The Forms of Capital* (1986, p.46), Bourdieu argued that, depending on the field in which it functions, capital can present itself in three fundamental guises: as *economic capital*, which is immediately and directly convertible into money and may be institutionalised in the form of property rights; as *cultural capital*, which is convertible under certain conditions into economic capital and may be institutionalised in the form of educational qualifications; and as *social capital*, made up of social obligations (‘connections’), which is convertible in certain conditions into economic capital and may be institutionalised into a title of nobility. Bourdieu (1986) considered these forms of capital, the value ascribed to them, and the means by which they are transformed to be determined by the structure of the social world or ‘habitus’ of the actors engaged.
The historically dominant market model (Figure 5.4) within which the exchange of art and cultural goods has evolved since the Renaissance to the rise of digital technologies involves the mediation of creative value through a gatekeeper, such as an art dealer or agent and large market dominant corporations. Many of the gatekeepers also act at an unstated level as arbiters of taste and regulators of supply.

**Micro-enterprise.** Holden’s (2007) second model illustrates the way the market works currently in the UK, noting that there have been significant changes to the methods of production and distribution, especially due to the proliferation of micro-enterprises, sole traders and freelancers who do not rely on the traditional gatekeepers to enable access to the market (Figure 5.5).

<table>
<thead>
<tr>
<th>ARTS</th>
<th>COMMERCCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>R&amp;D</td>
<td>commercialisation</td>
</tr>
<tr>
<td>subsidised culture education training</td>
<td>commercial culture</td>
</tr>
<tr>
<td>national theatre</td>
<td>West End theatre</td>
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</tbody>
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**Figure 5.5** Greater variety and means of distribution, each with different value characteristics (Holden 2007, p. 13)

Holden (2007) suggests that in the contemporary market for cultural product, the economic policy issue and the imperative for individual creators and companies is to move from left to right as rapidly and cost effectively as possible. He makes particular note of the enabling function of the technological developments in the ITC sector, citing the example of the ability of individuals to produce MP3 or jpeg files of creative content such as music, artworks, and film which can be self-published to a mass audience through *My Space* and *YouTube*, and arguing that digital technologies have not only increased the amount and variety available in the market place but also enabled the production of content through online social networking tools.

**Concentric circles of creativity.** Offering a framework to simplify the representation of the cultural and creative industries, cultural economist, David Throsby (2001), suggests that they can be understood as a set of three concentric circles with individual artists whose intention is to produce art for art’s sake at the core. He argues that the creative
activity at the core of the radiating circles is the cultural expression of a community or region through the production of creative content that conveys ideas, symbols and ways of life intrinsic to the local culture.

Throsby (2001) describes the core arts industry as predominantly made up of individual artists and funded by not-for-profit entities, whose economic contribution is measured using statistics of attendances, employment statistics in cultural institutions and grants awarded to individual artists. Throsby’s (2001) core cultural sectors could be considered as the hot house of creative R&D, and a resource of creative capacity that can be applied across cultural, social, environmental and economic domains. Despite being at the core of Throsby’s (2001) model, this group is commonly considered to be at the fringes of the economy based on their unconventional approach to employment and markets for their work.

As Throsby’s (2001) three concentric circles radiate outward, the creative intention and resulting product or service become increasingly commercially orientated and taken into a wider production context (Figure 5.6). As the rings of creative professionals/enterprises radiate outwards the commercial imperative intensifies.

![Figure 5.6](image)

**Figure 5.6** Representation of Throsby’s (2000) concentric circles of the creative and cultural industries (Andrew 2004)
While useful as a foundation to describe the creative economy, Throsby’s (2001) description implies two dimensional rings that are impervious, and does not capture the interactions between the layers; nor does it indicate how the creative sectors interact with policy agents and business within the broader economy.

**Considering a creative economy.** In 2000 the New England Council in the United States observed that:

- The relationship between the arts and municipalities is changing.
- Cultural policy works in partnership with tourism, planning, real estate, education and workforce policies.
- Arts and culture policies are most successful when tailored to existing assets.
- Effective plans are not static but continue to evolve.

Their publication the *Creative Economy Initiative – The Role of the Arts and Culture in New England’s Economic Competitiveness* (2000) provides a model for defining the creative economy in which they choose to expand on the notion that Arts and culture are more than just segments of the non-profit component of the economy. The New England model (illustrated in Figure 5.7) suggests a framework for identifying and providing information about an expanded ‘creative economy’, which they defined thus:

- **creative cluster** – enterprises and individuals that directly and indirectly produce cultural goods
  (This group can include Richard Florida’s Creative Class of accountants and lawyers, but in addition can also include janitors and sales people – all those who are not in the ‘creative workforce’, but who support it.)
- **creative workforce** – the thinkers and doers trained in specific cultural and artistic skills who drive the success of leading industries that include, but are not limited to, the arts and culture
- **creative community** – defined as a geographic area with a concentration of creative workers, creative businesses, and cultural organisations
5.2 The concept of dynamic clusters

An Australian industry consultant and strategy advisor in the information and communication technology sector, Terry Cutler is one of the early proponents of highlighting the role of the ‘creative industries’ in Australia’s economic future. Cutler, whose core expertise focuses on the digital economy, was invited to author one of the reports within the Creative Industries Cluster Study series (2002). The reports were

![Figure 5.7](image)


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20 Stage 1 report – *Creative Industries Cluster Study Stage One Report* (2002); stage 2 report – *Producing Digital Content*. (2002) Stage 3 included these reports and documents:

- *Economic Benefits from Cultural Assets* - digitisation programs and standards of collecting institutions and the scope for collaboration with the creative industries (Xamax, Content Strategies)
- *The Measurement of Creative Digital Content* (Pattinson Consulting)
- *The Role of Government Agencies as Market Place Participants in Digital Content Markets* (Convergent Consulting)
- *Research and Innovation Systems in the Production of Digital Content and Applications* (QUT CIRAC, Cutler and Co)
- *Implications of the Emergence of Broadband Distribution Mediums for the Production of Digital Content and Applications* (Convergent Consulting)
- Report on *Access to Global Markets* - From Cottages to Corporations: Building a Global Industry from Australian Creativity (Peter Higgs and Tom Kennedy)
jointly commissioned by the Department of Communications, Information Technology, the Arts (DCITA), and the National Office for the Information Economy (NOIE). The study was conducted in relation to industries that produce digital content and applications. As the media release announcing the publishing of the series says:

Creative industries producing digital content and applications are of increasing importance due to their ability to contribute to economic growth and social development. They are providing innovative new services and products, and developing new ways for people to interact with information systems and new technologies. These industries are also expected to increasingly impact on other sectors of the economy in cross service and cross product innovation.


The study was conducted in three stages. Stage 1 was to provide preliminary analysis and mapping of the industries producing digital content and applications. Stage 2 was to gain a detailed analysis, at the level of the firm, and in the context of industry clustering, of the current production and commercial arrangements related to digital content and applications. Stage 3 consisted of a range of projects investigating avenues for further developing Australian creative industries (DCITA online, n.d.). The use of the term creative industries in this context is clearly referring to and focused on digital content and applications. The question needs to be asked why the persistent use of the broader term creative industries when they really mean something more sector specific that already has a name – the digital media sector.

Cutler draws from industrial economics and managerial theory in his use of industry clusters and analysis models as a framework for understanding and measuring the economic contribution of the creative industries. Like other academics seeking to explain the creative industries, he (Cutler & Company, 2002) explores the use of a circular diagrammatic framework which he calls the analytical onion (Figure 5.8).

His analytical onion provides a visual representation of the industry parameters, the domains of influence and the types of industry impacts, which can be analysed to gain a more nuanced understanding of how an industry or sector works.
Cutler (2002) notes Porter’s\textsuperscript{21} (2002) pivotal role in popularising the notion of clusters as a ‘policy product’, but advises policy makers that when using these analytical models they must first examine whether there are substantial differences between the cluster characteristics in different industry sectors before accepting the results as a definitive perspective from which policy formulas for the diverse array of creative industries can be developed (Cutler & Company 2002).

\textsuperscript{21} Porter (1998, p. 211) depicted the development of competitive advantage within clusters in terms of a ‘diamond’—where factor conditions, demand conditions, related and supporting industries, and firm strategy, structure and rivalry develop in mutually reinforcing ways (cited in DCITA & NOIE 2002. p.18).

In the late 1990s Michael Porter and Henton and Walesh influenced policy makers in South Australia and other Australian regions in with their work on industry clusters and networks. Porter proposed that the enduring competitive advantage in a global economy is often heavily local, arising from a concentration of highly specialised skills and knowledge, institutions, related businesses and customers in a particular region.
5.2.1 The technology trap

Focusing on creative sectors that produce digital content and applications, influential individuals such as Cutler and significant government agencies such as DCITA tend to use the term creative industries when referring only to the digital content and applications sectors, creative enterprises with a locus in technology. Considering the more inclusive definitional models available, this selective use of nomenclature sets up a degree of confusion as to what the creative industries are. In South Australia, the Department of Trade and Economic Development has a number of programs of support for the creative industries that are only applicable to the digital content and applications sectors, not the more broadly defined creative industries.

Moreover, Cutler’s use of ‘the firm’ in the diagram does not illustrate sufficiently clearly the fact that most enterprises within the creative sectors are comprised of individual practitioners. As pointed out by Holden (2007), Cunningham (2003), Bilton (2007), Flew (2002), and O’Connor (1999), the creative enterprises within the creative industries are dynamic and do not fit neatly into sectoral or spatial boundaries, as is often ascribed in cluster mapping and measurement exercises.

5.2.2 The knowledge pool

CURDS (Centre for Urban and Regional Studies 2001) suggests that creative industries activities can be placed along a continuum. At one end are those that are wholly reliant on bringing the audience to content (most kinds of live performance and exhibition, including festivals) and which tend to be labour-intensive and often grant aided. At the other end are more commercially oriented informational activities based on the reproduction of original content and its transmission to (often distant) audiences (publishing, recorded music, film, broadcasting, new media). A few creative industries activities lie at the extremes of this spectrum, but many are ranged along it, more or less reliant on a mix of the two strategies (CURDS 2001, p. 16-17). Thus the creative industries present a complex set of interactions between commercial activities, grant aided activity and voluntary activity.

CURDS (2001) offers a model (Figure 5.9) that focuses on the individuals, their knowledge and associated knowledge pool within the cluster and not the interaction
between firms. CURDS (2001) calls this the *knowledge pool approach* where ‘at the heart of the cluster are the creative individuals with the sets of skills and knowledge that enable them to produce the core outputs, cultural products, artworks, performances, multimedia software, books etc’ (p. 10). CURDS (2001) represents this conceptual framework with a model that identifies the complex network of agents and relationships that stem from the creative individual and the interaction between individuals and agents within the pool of creative/cultural production.

![Figure 5.9](image_url) The knowledge pool (CURDS 2001, p. 11)

Similar to Cutler (2002) and CURDS (2001), Wyszomirski (2005, p. 3) suggests using a cluster model of analysis in order to develop a greater understanding of the arts and cultural industries. She notes that ‘each creative industry will exhibit its own particular profile and the details of that profile vary from one community to another’ as is illustrated in Figure 5.10. ‘Each industry is also part of a cluster of related industries and individual clusters tend to interact with other clusters’ (2005, p.2).
Hard and soft infrastructure supporting the creative sectors. Wyszomirski (2005) also draws our attention to the fact that:

*The arts and culture require an infrastructure of facilities and organisational capacities if they are to thrive and engage the largest public possible. (p. 3)*

To this end she suggests extending the conceptual framework:

*From the notion of an economic sector to that of a societal sector in which both hard and soft infrastructure constitute a crucial part of the cultural map. (p.3)*

Putting all of these defining elements together, it is possible to see the creative industries/sector is (Figure 5.11):

*A societal sector comprised of a worker and a small core, set of industrial clusters and a diverse infrastructure that represents the intersection of four definitional perspectives: occupations, products, production structures, and core processes. (p.3)*
Importantly, and in order to develop an integrated approach to policy analysis and development, Wyszomirski (2005) notes that:

*The cultural planning process actually involves the activities and integration of four kinds of communities: Geographic communities; Communities of practice; Knowledge and epistemic communities; Policy communities.* (p.4)

5.2.3 The cultural industries production system

Andy Pratt’s (1997) analysis of employment change in Britain resulted in his proposition that the cultural industries be conceptualised as a cultural industries production system (p. 1). The value of this perspective is that it seeks to present cultural outputs as the result of collective innovation by a number of participants whose participation is various, but
linked by the organisation of production. Pratt’s (1997) conceptual framework for understanding the cultural industries involves a four part value chain that includes 1) content origination and commissioning; 2) infrastructure (the creation of the means of production); 3) reproduction and mass distribution; and 4) site of exchange and rights to consume.

Pratt’s (1997) analysis highlights the:

*Interrelationships that exist within the Cultural Industries Production System,*
*within which even the strongest industries may be dependent upon the viability of weaker or less commercially focused industries for vital skills, products and services.*

*(Pratt 1997, p. 28)*

Pratt (1997) stresses the importance of situating the cultural industries within a broader social and political context, and argues that the cultural industries production system analysis framework provides a more useful unit of analysis rather than the individual firm, the sub market, or industry (p. 25). Additionally Pratt argues that the conditions under which creative ideas are translated and mobilised within the cultural production system are just as important as understanding the skills and positions of the individuals within them. To this end he argues that ‘conceptually we need to consider the full ‘cycle’ of production and consumption (from idea to manufacture, distribution and consumption)’ (Pratt 2004, p. 120).
Case study 1: The conceptualisation and evaluation of the creative industries in South Australia

The following case study *The Creative Industries in South Australia* (2005) report using Holden’s triangulation of values as a conceptual analysis framework. This case study seeks to examine:

*How differing conceptualisations of creativity’s role in the community and its value to the economy been reflected in the current definition of the creative industries South Australia?*

In the wake of the DCITA/Australia Council’s raft of arts industry analysis reports and coinciding with the development of the 2004 *South Australian Strategic Plan*, in 2003 the Department of Premier and Cabinet (DPC) began to contemplate the changing nature of the local arts and cultural sectors, in particular the embrace of new technologies into many art forms, and the increasingly fuzzy boundaries between craft and design (designer-makers). To this end ArtsSA, the government’s arts agency, hosted an Arts Summit with the view that consultation with the arts, cultural and heritage sectors, and the State’s creative industries, priorities for the development of artists, arts organisations and cultural institutions would inform a new policy framework (Department of the Premier and Cabinet 2004, pp. 27-28).

In December 2003, *Arts – The Heart of South Australia* (SA Government, 2003) was released as ‘an initial directional response by the South Australian Government to the key issues raised at the Arts Summit in July 2003’ (p. i). In his Foreword to the document the Premier Mike Rann stated:

*The overwhelming message from the Arts Summit is that investment in the creation of art should be at the core of the Government’s strategy for the arts. With such strong artists, companies, infrastructure and events, Adelaide has the potential to become a unique centre for contemporary arts practice within Australia. This means supporting work which takes risks and extends creative boundaries. (ibid., p. i)*

*…The framework outlines a set of guiding principles that will be applied in policy development and to actions arising from the Arts Summit [2003]. The release of this document will be followed by further consultation with the sector, as we build on the partnership, form longer-term strategies, and plan our priorities for Government action and investment. (ibid., p. ii)*
...Fostering creativity from an early age through involvement in arts activity creates an environment in which self-esteem and respect for the expression of others can flourish. Opening up these opportunities across the community is vital. We know that engagement in the arts increases children’s cognitive, social and personal competencies, and it is these skills, and the ability to innovate and generate new ideas, which provide the necessary foundation for what is fast becoming a knowledge-based economy. (ibid)

The above statements express the idea that creativity and cultural value stem from state and community need and the desire to express oneself through creative and cultural production; and that this need has been informed by and provides intrinsic values, and that governments can justify supporting all forms of creative production because they provide instrumental benefits to the economy.

The shifting focus from the intrinsic value of culture and creativity to the community to regarding the creative industries as a means of providing instrumental benefit to the state’s economy is clearly demonstrated by the following joining paragraphs articulating the Vision within the paper the Arts –The Heart of South Australia. The following section of quotes is laid out in a table that ascribes to each statement a value according to Holden’s cultural/creative value triangle.

<table>
<thead>
<tr>
<th>Vision</th>
<th>value</th>
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<tbody>
<tr>
<td>In 2013 South Australia will be a place of acknowledged national leadership in the arts and where artistic practice, the creative process and our cultural institutions are valued as an integral part of our society, accessible to all and recognised as a key driver of our economy.</td>
<td>institutional instrumental</td>
</tr>
<tr>
<td>The Government’s commitment to social inclusion is well served by our arts and cultural institutions: access to the works of art that tell our stories and introduce us to other cultures is free; access to our natural history and Indigenous culture is free; and access to repositories of knowledge to meet the information demands of the 21st century is free. Our performing arts companies are providing more and more low cost and family friendly entertainment. Special funding programs have been created to support the building of social capital and community capacity.</td>
<td>instrumental institutional intrinsic</td>
</tr>
<tr>
<td>Our determination to build a sustainable South Australia involves not only the more obvious considerations of environmental sustainability and energy efficiency but also addresses the sustainability of communities and community life. Adelaide’s arts and cultural services are at the core of the infrastructure that underpins life in this State – for residents, workers and visitors.</td>
<td>instrumental</td>
</tr>
<tr>
<td>The creation of art by artists strengthens our capacity to explore our own identity and is central to the economic value of the arts. The Government’s commitment to economic growth also recognises that building a culture of creativity will make a significant contribution to translating South Australia’s underlying advantages into superior economic performance, through the generation of new ideas and the facilitation of innovation, experimentation and the creation of new products and services.</td>
<td>Intrinsic instrumental</td>
</tr>
<tr>
<td>The Government believes that to promote the State the arts must be reinvigorated to be the flagship they once were, and so the Government will build South Australia into a place that invites experimentation, risk-taking, creativity and excellence.</td>
<td>instrumental</td>
</tr>
</tbody>
</table>
In a number of instances more than one value is implied within one paragraph, demonstrating how conceptually tangled the notion of creativity’s value is within contemporary policy discourse.

To support the achievement of the vision of *Arts – The Heart of South Australia* six strategies are outlined:

- Government investment in artists and the making of art
- Arts in education
- Investment in infrastructure and cultural heritage
- The creation of ‘place’
- Partnerships and collaborations
- Recognition of the economic value of the creative industries. (ibid., p. 1)

Placing these six strategies within Holden’s (2005, 2006) framework for considering creative and cultural value, the points above indicate a preference for supporting the arts for their instrumental, and to a lesser degree, institutional contribution to the community and the economy.

*Figure CS1.1* Using Holden’s value framework to examine the six strategies in *Arts – The Heart of South Australia*
Despite the stated importance of creative practice and artistic professionals in *Arts –The Heart of South Australia* (SA Government, 2003) – ‘creation of art by artists strengthens our capacity to explore our own identity and is central to the economic value of the arts’, none of the six strategies specifically relates to the investment in developing and supporting creative professionals, the core element of a thriving arts, cultural and design sector. In effect they have ignored the most important form of capital – human capital in their strategy to achieve their vision of South Australia reaffirming itself as a place acknowledged for national leadership in the arts and where artistic practice forms part of the states culture of creativity.

Although the Arts Summit sought to engage the breadth of the creative sectors in South Australia that contribute all forms of value (*intrinsic, institutional and instrumental*). The government defined six strategies that were to form the basis of a 10 year arts and cultural policy; in effect there was no new policy for the arts and cultural sectors, rather an organisational restructure of the agency administering essentially the same arts funding programs it had since the 1990s.

For such a significant investment in consultation and after raising expectations in the arts sector that there would be a long awaited arts policy to indicate the government’s core philosophy in its support for the arts and cultural activity, it is surprising that there is no mention of a new 10 year arts and cultural policy in the DPC’s *Annual Report 2004-2005*.

Instead, the DPC’s *Annual Report* highlights ArtSA’s divisional restructure that sought to ‘recognise the differing needs of the art *makers*, the *collectors* and the *presenters*, and build on the considerable skills and dedication of the existing staff and management within the division’ (2005, p. 17).

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22 Arts SA is a division of the Department of the Premier and Cabinet and the South Australian government’s arts and cultural agency. Its role includes: developing, facilitating and administering the government’s vision and strategy for the arts and cultural sector; advising and supporting the Minister for the Arts and the Minister Assisting the Premier in the Arts; managing the government’s funding assistance to artists’ and arts organisations; supporting the development and maintenance of our state’s cultural heritage collections; recognising and promoting the strengths and needs of our state’s ‘makers’, ‘presenters’ and ‘collectors’ of art and cultural heritage (ArtsSA (2007). *Funding Handbook: Funding, Grants and Awards for Artists and Arts Organisations*. D. o. P. a. Cabinet, Government of South Australia).
What the DPC’s *Annual Report* did highlight, however, was the report commissioned to assess South Australia’s Creative Industries, *The Creative Industries in South Australia* (2005). The objective of the study was to provide an assessment of the economic significance of the creative industries to South Australia (SA).

**CS1.1 Defining South Australia’s creative industries**

Commissioned by a cross-government steering committee representing ArtSA, Department of the Premier and Cabinet (DPC), the Department of Trade and Economic Development (DTED), and the Department of Further Education, Employment, Science and Technology (DFEEST), the final report *The Creative Industries in South Australia* (2005) discusses the complexity of defining the creative industries.

The report states that the approach to a definition and the measurement adopted was the most pragmatic approach to take. This is qualified by stating that the chosen grouping of creative sectors is:

> Linked by the use of similar creative and artistic inputs and produce products and services that fall into the categories of entertainment, education and art. (2005, p.21)

Further, the report states:

> The definition of creative industries adopted for this report is pragmatic and seeks to include new digital creative activities and is economic development and policy focused. (ibid, p. 20)

> Sectors are included on the basis that they are represented in SA and appear in creative industries definitions overseas and interstate and that they use creative or artistic inputs and produce creative industry output. (ibid, p. 25)

Intending to reflect the diversity of creative enterprise, the report uses the term *sector* to describe a category of the creative industries. The report identified the following sectors as constituting the creative industries in South Australia:

- audio-visual, media and digital media
- advertising

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23 Later the report uses the term ‘digital creative’s’ to describe the collection of creative industries activities that are similar to the DCITA term, ‘digital content and applications’. These are activities from all sectors of the creative industries definition that are primarily involved in the use of digital technologies (ibid, p.26).
- craft, visual arts and indigenous arts
- design (including architecture, fashion, and graphic, urban, industrial and interior design)
- film and television
- music
- publishing
- performing arts
- cultural heritage/institutions.

**CS1.2 Measuring the contribution made by South Australia’s creative industries**

Historically there is a tendency to look at the contribution made by the arts and cultural sector (or any industry for that matter) from one definitional or operational perspective at a time, measuring either, occupations, products, production structures, and core processes. The authors of *The Creative Industries in South Australia* report recognised that the variety of approaches to defining creative industries within and across differing regions made it difficult, if not impossible, to establish consistent industry analysis criteria (2005, p. 20).

This difficulty in establishing consistent and meaningful analysis criteria is exacerbated by limited and inconsistent data collection that limits analysis of ‘any depth with respect to the economic outcomes. Therefore, any assessment requires some degree of estimation and modelling’ (ibid, p. 34).

There appears in this statement a lack of awareness or dismissal of the capacity for the creative industries and specific sectors within it to afford economic development that cannot be readily measured via patent registrations or contribution to GDP, in essence the *intrinsic value* contributed by creative activity and products and services. For example how performing and visual arts and good design can enhance health outcomes by reducing patient stays in hospitals, or arts programs that engage disengaged youth and inspire them to further study or seek work in areas that they can express their creative abilities rather than on illegal graffiti walls.

Like many other creative industry mapping and measurement reports produced in Australia, *The Creative Industries in South Australia* Report (ibid) drew its data from the
Australian Culture and Leisure Classifications (ACLC), which consists of three parts: industry classification; product classification and occupations classification\textsuperscript{24}. The four areas of metrics that are consistently used by government-sponsored creative industries mapping studies to express their relative size or contribution to the economy consist of the following:

- **employment**: primarily the full time employment within specific industry classifications
- **firm activity**: primarily the number of firms and industry income
- **gross value** added to the economy
- **trade**: particularly the value of exports.

The report’s authors identified some limitations to the data. Although they have been presented as a match between the target definition and published ABS statistics, the match is not exact. Relying on this inadequate set of quantitative measures demonstrates the limited conceptualisation of value contributed by the creative process and creative enterprise in South Australia.

Despite the acknowledgement of the inadequacies of the data used for analysis of the creative industries, since mapping and measurement studies of the creative economy/industries started there has been no significant development of industry specific frameworks or data sets that might provide a more nuanced means of measuring the creative industries, such as a balanced scorecard or value network analysis that acknowledges the vast differences between industries and sectors nominated as part of the creative industries.

\textsuperscript{24} The report used extensively the Australian Culture and Leisure Classification data sets which consist of three parts:

- the **Industry Classification** – lists industries consisting of organisations for which the main activity is the production or provision of culture and leisure goods and services
- the **Product Classification** – a list of culture and leisure goods and services (together known as products). These products are the primary outputs of the industries listed in the ACLC Industry Classification; in addition, they are produced by other industries (for example, ‘museum’ services may be provided by a business in the mining industry)
- the **Occupation Classification** – based on the Australian Standard Classification of Occupations (ASCO), lists occupations which are predominantly ‘culture or leisure’ in nature
CS1.3 Advocating the centrality of the ICT sector to South Australia’s ability to foster creativity

The following diagram from the Creative Industries in South Australia report indicates just how central the digital industries are considered to be to economic development in the state. In effect the digital creative’s instrumental contribution to the state’s economy through their contribution to innovation and development dynamic flows into – and between – other key economic sectors and industries.

Based on turnover, employment\textsuperscript{25} and contribution to gross state product (GSP), rather than explore value networks that the creative industries contribute to\textsuperscript{26} the Creative Industries in South Australia report identifies the sectors of the creative industries with the greatest potential for growth as those that are based on digital technologies. These are typically companies that are near the definitional borderline between creative industries and information and communications technology (ICT). The diversity of business products and services in this sector ranges from software for mobile phone producers to clay animation.

Although the grouping referred to as the digital creatives is not described precisely by any standard ABS statistic, the report defines the group as consisting of companies exploiting creativity and technology to drive growth, high skill employment and exports.

Despite having the option to draw on numerous definitional frameworks that extend the analysis of the creative industries beyond the typical definitional parameters that focus only on ANZSIC industry classifications, it is clear from the report’s authors that this study was a pragmatic approach to industry definition and measurement of economic contribution to the state. It appears to be a case of picking and justifying investment in the winners, in this case the ICT sector and the associated digital creatives.

\textsuperscript{25} Published data at state level is most broadly captured in employment data. For this report it was from the 2001 Australian Census.

\textsuperscript{26} Allee (2000) proposes that a value network generates economic value through complex dynamic exchanges between one or more enterprises, customers, suppliers, strategic partners and the community.
Exhibiting a similar industry bias towards the ITC sectors and digital creatives as the reports from DCITA and Cutler in 2000, the South Australian Export Council’s report *Beyond Local Towards Global* (2004) highlights the creative industries (especially film and screen-based multiplatform digital content development) as a key sector for the state’s economic future.

The *Creative Industries in South Australia* report concluded that at the time of writing there were probably fewer than 10 significant players in the digital creative sector in South Australia. Together with approximately the same number of emerging businesses, the report estimates that total employment in the sector as of 2004 was 480 people (ArtsSA, Department of Premier and Cabinet, Department of Trade and Economic Development & Department of Further Education Employment Science and Technology 2005).

Arguing that in comparison to Mitsubishi’s then employment numbers of 2700 people, the report estimated employment in 2007 in the digital creative sector would be 2,228.
The report further sought to demonstrate the benefit of investing in the digital creative sector was unlike the then massive investment in retaining Mitsubishi operations in the state in that the successful digital creative firms were South Australia owned and thus all income not just wages is retained in the state. On August 4, 2005 US based video game publisher Midway acquired the Adelaide based and owned Ratbag Games, who at that time was one of the larger digital creative companies in South Australia employing over 50 staff. The Studio was renamed Midway Studios-Australia. Four months after its acquisition of Ratbag, Midway announced the closure of the Adelaide studio leaving its employees based at that studio without a job.

As elsewhere nationally and internationally in the ‘creative industries’ the digital creative’s received the most attention from policy makers outside of the arts and cultural sector with the hope that market success by the digital creative’s would promote South Australia as a creative place for companies to locate. Much of the creative industries discourse within government showed then and continues to show now a bias towards digital creatives. Compared with more intrinsic forms of creative expression such as song and dance, potting, glass blowing or literature, the output of the digital sector is superficially easy to understand and to measure using standard criteria.

The focus on the digital sector, however, has allowed a broader conceptualisation of the creative industries to be virtually ignored, and narrowed the meaning of the concept of creative industry, and allowed digital creatives to have a major influence on policy development and funding in the creative sector.

The overt focus on the digital creative indicates a policy focus on the instrumental contribution the arts, creativity and design make to the economy. This has impeded the development of a more systems based conceptualisation and articulation of the community as well as economic value derived from investing in the development of a diversity of creative professionals and forms of creative practice. This narrow focus on specific knowledge typologies and creative industry sectors obscures policy makers’ ability to envision how they might foster the interaction of multiple communities of practice to contribute to the development and sustainability of the states society, environment and therefore economy.
CS1.4  Innovation is applied creativity: An independent makers’ strategy for South Australia

In response to the delay in the development of a state arts and cultural policy, and the negative response the Creative Industries in South Australia report from many sectors of the creative industries expressing concern over the focus on the instrumental benefits the arts and cultural sectors, and the bias towards digital media, the Arts Industry Council SA (AICSA) was approached by a group of independent professional arts practitioners to facilitate a public meeting for professional independent artists. The purpose of the meeting was to identify key issues affecting their capacity to sustain a viable artistic practice and to identify possible solutions to these issues (Williams 2005, p. 2).

A paper resulting from the AICSA consultation process, Innovation is Applied Creativity - The Independent Makers’ Strategy was aimed to communicate and to facilitate discussion with the government and wider arts sector regarding the solutions and strategies that the AICSA considered needed to be developed to support the sustainability of the South Australian arts and cultural sector.

The AIC observe that overall the level of ArtSA’s project funding has not grown in the past decade, but creative development and production costs have increased substantially in this period. Of particular concern was that in some of ArtSA’s program areas, project monies had decreased whilst expectations of funders and the arts community had increased. The AICSA paper (Williams 2005) notes that the issues faced by independent professional arts practitioners was twofold:

On the practitioner side there is a lack of connection, communication and skills development and as a result many independent makers operate in isolation. On the support side there is a lack of resources for the development of new work which has the capacity to reach audiences. (p. 2)

The paper goes further to highlight some fundamental influencing factors in the artistic and professional development of independent professional arts practitioners stating:

Many of the problems which have an impact on independent practice are related to the availability of state arts project funding and the way in which project funding is targeted.

There is a view that ArtSA’s current project funding approach doesn’t provide a sufficient balance between low level ‘seed funding’ and higher level creative
development funding for established practitioners, nor does it provide sufficient funds to support the final level of production and presentation.

There is a need for a coherent funding policy and resources which support the full development of promising work and acknowledge the realities of how established independent practitioners build career pathways in the sector. (p. 3)

AICSA argues there is a need to change the current culture of the government funded arts sector. In particular the AICSA document alludes to policy path dependency and an inability to do things differently (a phrase included in the *South Australian Strategic Plan*) in regards to arts funding models and programs that seek to develop creative capital. Additionally the AICSA note the inordinate amount of arts funding that is invested in arts infrastructure [the institutions] arguing it is at the expense of funding the development of artists and new works\(^\text{27}\) that are responsible for applying creativity and stimulating innovation across the economy.

The following section considers the academic and policy discourse surrounding creativity’s role and importance in regional economic development as articulated in the discourse surrounding the New Economy. This discourse, in combination with the theoretical and advocacy discourse, focusing on the arts, cultural and creative industries has been applied in conceptualising the creative industries in South Australia which in turn has informed the approaches to fostering creativity within the *South Australian Strategic Plan* 2004 and 2007.

\(^{27}\) According to the latest ABS report, in 2003 – 2004 the South Australian Government spent $13.7 million on performing arts ($3.9 music, $4.3 drama, $1.4 dance; $1.8, music theatre/opera, $2.8 other performing arts), plus $2.62 million on major multi-arts festivals, plus $8.3 million on performing arts venues. A total for performing arts and festivals of $24.62 million’ (ibid, p. 9).
Section 3
The contemporary discourse of the ‘creative’ economy
The contemporary discourse surrounding the New Economy

Academic theory and debate from an array of knowledge typologies, as well as Australian national policy discourse, have influenced how South Australia policy makers conceptualise and develop strategies to foster economic development and sustainability. As Broomhill (1995) observes, the federal nature of Australia’s political system ensures the Australian states’ reliance on the national government in adjusting their economies to the impact of globalisation. Since the 1980s, the liberalisation of the global economy has significantly influenced the policy responses of Australian state and federal governments seeking to remain competitive in an increasingly dynamic global market. This close relationship between Australia’s state and national political system has also influenced policy perceptions and responses toward the arts, cultural and design sectors, all of which are recognised as creative industries.

The following section examines elements of the discourse focusing on theories considering the emergence of the New Economy and endogenous growth theory. Significant national and South Australian reports and policy documents that have influenced the concepts and articulation of South Australia’s economic development objectives and strategies are also highlighted, particularly the objective of fostering creativity as outlined in the South Australian Strategic Plan. The section considers the discourse, arguing the importance of creativity and culture to economic development through John Holden’s (2004, 2006) conceptual lens that perceives creativity and culture as components in a triangulation of values – institutional, instrumental and intrinsic.

6.1 The ascent of neoliberal economic ideologies in the New Economy

Keynes’s economic model in one form or another dominated economic policy in advanced Western Economies until the 1973 oil shock and a series of financial mishaps in the 1980s and the collapse of the Soviet Bloc. The government interventionism that was a feature of Keynes’s thinking became unpopular with prominent economists, like those of the Chicago School, who embraced monetarism and then neoclassical economics, otherwise referred to as neoliberal economic theory.
Particularly influential supporters of economic liberalism and monetarist economic policy were Friedrich Hayek (1899–1992) and Milton Friedman (1912–2006) whose views on macroeconomic theory and how it should be implemented through policy were adopted by governments in many Western economies during the 1970s. Their emphasis was on free market mechanisms, privatisation of most public services and deregulation of markets. Despite the demise of Keynes’s approach to macroeconomic policy over the past five decades, the so-called Keynesian-welfare economics model has been entrenched within arts funding and acts as a bailiwick for the perpetuation of outdated funding models that seek to support the development and sustainability of creative enterprises. It could be argued, however, that this model of funding provides the most balanced conceptualisation of the value of creativity and culture to communities where cultural institutions are held in high regard not only for their institutionally and intrinsically valuable collections and productions, but also because of their instrumental contribution in that they provide an educative role for the community.

Simultaneously with the decline of Keynesian policy approaches to macroeconomic management, new technologies were introduced based on discoveries and developments in computer science that moved economies and societies in the developed world into a new technological era and a New Economy. The arts and cultural sectors were also influenced by this wave of technological innovations, with artists and designers adopting a new set of tools within their creative activities.

This chapter examines some of the tangle of theoretical perspectives and frameworks posited by numerous stakeholders seeking to understand the constituent parts and dynamics of the new knowledge based economy and creativity’s place within it. The analysis predominantly stems from the late 1980s onward when discourse about the importance of creativity to the economic development of regions was beginning to gain traction in business and policy circles, but before Tony Blair’s New Labour combined the idea of creativity and industry to create their portmanteau term creative industries. In attempting to untangle many different frameworks and perspectives, this chapter identifies the dominant academic taxonomies in the discourse, the definitions, frameworks, and policy arguments articulating the importance of creativity in stimulating and supporting the development of regional economies.
6.1.1 Adam Smith revisited: Still influencing current economic theory and practice

The economic theories of Adam Smith were a dominant influence on Western industrial and economic thought and have also informed aspects of the dominant neoliberal economic ideology shaping political perspectives and policy responses in Western economies, including that of the early colonisation of South Australia. Although many aspects of South Australia’s political and social development have been very progressive, such as being the first Australian colony to grant women the right to vote in 1895; in 1966 prohibiting racial discrimination; in 1975 decimalising homosexual relations between consenting male adults in private; and in 1975 proclaiming the Sex Discrimination Act, making discrimination on the grounds of sex or marital status in employment, education, accommodation and the provision of goods and services unlawful, aspects of Adam Smith’s conservative economic theories have endured, shaping South Australia’s contemporary approach to economic management. Smith’s form of economic liberalism argued for limited government regulation of private enterprises and broader economic activity; thus it has provided a theoretical foundation for the perpetuation of the economic model of free trade and capitalism in Western economies.

Smith (1776) argued that human beings are naturally motivated by self-interest. Whilst arguing that the best sort of state largely remained out of its people’s lives, he understood that some goods that yield great public benefit are not profitable to produce privately. He felt, however, that government intervention in the economy should be minimal, and that a government should restrict its activity to maintaining a national defence, establishing public order and justice, and building advantageous public institutions and works infrastructure such as schools, roads, canals, and bridges that private industry has insufficient incentive to undertake.

Keynes economic philosophy was more pragmatic than dogmatic in adhering to a set of ideological theories limiting the choice of government policy investments. Keynes understanding of the economy did not entirely support the laissez-faire economic policy of the classical liberal economists. Rather he utilised a repertoire of discourses and strategies in his approach to economic policy and management, advocating for the use of government fiscal and monetary policy and sponsoring public works to reduce unemployment, which he argued helped eliminate recessions and controlled economic booms.
Whilst leaving the vast majority of economic decisions to the private sector, Keynes advocated contra-cyclical regulation of government spending with the use of monetary and fiscal policy towards the maintenance of economic stability. However, in the years immediately following the Second World War support for so called welfare policies that considered the effects of the market economy on less privileged members of society were eroded by the anti-communist spirit (McCarthyism) that ravaged American academia in the 1950s.

Jessop (2002) describes liberalism in both its classical and contemporary contexts as a:

*Conceptual ensemble in economic, political, and ideological discourse; a strongly contested strategic concept for restructuring market-state relations with many disputes over its scope, application, and limitations; and a recurrent yet historically variable pattern of economic political and social organisation in modern societies. (p. 453)*

Importantly, Jessop observes that:

*Liberalism rarely exists in pure form; it typically coexists with elements from other discourses, strategies, and organisational patterns. Thus it is better seen as one set of elements in the repertoire of Western economic, political, and ideological discourse than as a singular, univocal, and internally coherent discourse in its own right. (p. 453)*

Harvey (2005) observes that the support of neoliberal economic thought based on Smith’s writings has entailed much ‘creative destruction’ 28. He defines neoliberalism as:

*A theory of political economic practices that proposes that human well-being can best be advanced by liberating individual entrepreneurial freedoms and skills within an institutional framework characterised by strong private property rights, free markets, and free trade. (Harvey 2005: 2, cited Joseph 2007, p. 6)*

Joseph (2007), in his examination of the nature and influence of liberalism in modern economic discourse is critical of the motivations of those who support a laissez-faire approach to economic management. He asserts that ‘liberalism makes a strong link between government and individual liberty and what is considered inside and outside the political sphere’ (2007, p. 6). He argues that ‘liberalism should not be seen so much as a coherent political ideology or philosophy of individual freedom, but as a justification for the rationalisation of government’ (Joseph 2007, p. 6), concurring with those who see the term *creative industries* as code for a libertarian approach to the economy.

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28 Schumpeter coined the term ‘creative destruction’ in his observation of the sometimes destabilising influence of industrial innovation on businesses and even entire industries.
In a similar vein, Jessop (2002) observes that neoliberalism ‘seeks to roll back ‘normal’ forms of state intervention associated with the mixed economy and the Keynesian welfare national state and incorporates a repertoire of Western economic, political, and ideological discourse.

**South Australia’s tangled repertoire of economic and arts policy.** The current policy approaches to supporting creativity and the creative industries in South Australia appear to be conforming to Jessop’s observation that liberalism picks from a repertoire of economic, political and ideological discourse. This is entangled within a Keynesian arts funding model established in South Australia in the 1970s and the dominant neoliberal economic model that supports self-regulated market competition as a key factor in encouraging economic growth, from which it is believed all members of society benefit. The articulation of the desire by many Australian state and local governments to be viewed as supportive of creativity and innovation within their economies and communities precedes a complete understanding of the diversity of creative enterprises within regional economies, the financial and nonfinancial transactions between them and other sectors. This limited understanding of the dynamics of the cultural, arts, and design sectors now collectively referred to as the creative industries stands to limit the development of a means of reconciling contesting appreciations of the value they contribute.

### 6.1.2 New growth or endogenous growth theory

Since the 1980s aspects of new growth theory or endogenous growth theory have been woven into neoliberal approaches to macro and micro economic policy as is evident in South Australia’s strategic plan for economic development. In addition, it is evident when considering the objectives and targets for fostering creativity within the *South Australian Strategic Plan* that cultural theory and economic development theory have been tangled up to inform South Australia’s current strategies and investments in the creative industries.

Endogenous growth theory (EGT) has been inserted into thinking about the New Economy as part of the discourse associated with the role of creativity in regional economic development. Instead of considering economic growth primarily through transaction cost theories and analysis, importantly, EGT recognises that non-market interactions are also important in fostering and sustaining regional economic development.
John van Reenen (2001) explains that the New Economy and endogenous economic growth are driven by a number of key features: human capital; the digital revolution; innovation; entrepreneurial capacity; mobility/globalisation; clusters; inequality; public and private activity (cited in Oughton, Landabasco et al. 2002, p. 102). van Reenen summarises these key features and their attributes in the table following.

<table>
<thead>
<tr>
<th>FEATURE</th>
<th>DEFINITION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entrepreneurial capacity</td>
<td>Rapid growth of education and training</td>
</tr>
<tr>
<td>Human capital</td>
<td>Start-ups and new entrants key drivers of growth</td>
</tr>
<tr>
<td>Digital revolution</td>
<td>Prevalence of information and communication technologies, especially computers</td>
</tr>
<tr>
<td>Innovation</td>
<td>R&amp;D, know-how, brands and other forms of intangible capital more important than fixed capital</td>
</tr>
<tr>
<td>Clusters</td>
<td>Geographical concentration of high-tech firms (e.g. Silicon Valley)</td>
</tr>
<tr>
<td>Mobility/globalisation</td>
<td>Capital (financial, fixed and highly skilled) very mobile across national borders</td>
</tr>
<tr>
<td>Inequality</td>
<td>Increasing wage dispersion and volatility of income, ‘winner takes all’ in labour and product markets</td>
</tr>
<tr>
<td>Public/Private</td>
<td>A blurring of the divisions between the public and private sectors</td>
</tr>
</tbody>
</table>

Figure 6.1 van Reenen’s (2001) key features of the New Economy

Numerous academics have contributed to this theory with many focusing on particular factors contributing to the broader endogenous economic growth discourse. The *South Australian Strategic Plan* (SASP) was developed and promoted as a strategic policy response in ‘put[ing] together a set of economic building blocks to construct a new and more robust economy’ (EDB 2003). Reading the SASP (2004 and 2007) it is clear that aspects of endogenous growth theory discourse have been drawn into the justification of policy arguments and implementation strategies. The following chapters examine the multiple discourses that appear to have provided the basis for articulating the creative industries’ place in the *South Australian Strategic Plan*. 
Using van Reenen’s list of key features of the New Economy as an initial framework, consideration of the origins and legacy of human capital and knowledge theory, theories considering technology and the digital revolution; innovation and regional innovation systems theory are discussed in the following chapters with the view that this will inform how the academic and policy discourse surrounding creativity’s role and importance in regional economic development has been applied in conceptualising the creative industries’ place in the *South Australian Strategic Plan*.

### 6.2 The New Economy in Australia

The New Economy is commonly considered to have begun in Australia, as in other Western economies, during the 1980s, when a marked growth in productivity was facilitated by the first significant wave of technological advances since the Industrial Revolution. From the time of settlement until the post war manufacturing era, Australia’s economy had become reliant upon the exploitation of our pastoral and mineral wealth. After World War II, the manufacturing sector in Australia became a significant contributor to Australia’s economic growth. In South Australia the predominant new industries of the post-war period were the white goods and car manufacturing industries, for example Phillips and GMH.

The increased prosperity stimulated by the manufacturing sectors was, however, substantially due to the protection of high tariff barriers that Australia negotiated on the basis that it was a ‘midway’ country in terms of its trading economy. Being ‘midway’ meant that Australia was seen as neither a developing nor a developed country and therefore needed to apply import tariffs to enable the development of its manufacturing sector due to cost disadvantages, those being small scale production, high wages and the infancy of its manufacturing industries (Snape, Gropp and Luttrell 1998). Beginning in the 1980s, however, Australian governments, both state and federal, began favouring neoliberal policies and philosophies that led to an easing of commercial regulatory frameworks.

**Neoliberalism and the market economy.** Growing support for neoliberal laissez-faire economic ideology by successive Australian governments over the ensuing 30 years has steadily given rise to a range of policies that argue the private sector, not government,
can provide more cost effective means of delivering essential community services such as utilities, transport, health care, education and welfare services. Accordingly, the liberalisation of the global economy and Australia’s participation in it since the mid 1980s has radically changed the way Australian governments at all levels perceive and invest in research that informs policy responses and investments in economic development both at national and regional levels.

Despite the Labor Party’s history of social democratic roots, the period of the Hawke/Keating governments from 1983-1996 was a period when the emerging of neoliberal economic ideology guided the economic policy of both major political parties. This was the period in which significant restructuring of the Australian economy occurred together with the associated policies and policy instruments that supported it. The most significant policy reforms of this period in Australia were the privatisation of many government instrumentalities; the deregulation of the financial system; the ‘unleashing’ of competition policy; a reduction or total elimination of tariffs; a considerable reduction in company and top marginal tax rates; award restructuring and enterprise bargaining; the increasing spread of contracting out by the public and private sectors (Tanner 1999).

Together with the significant change to the global economic climate and economic policy ideology in Australia, the patterns of consumption, changes to the nature and structure of production processes and of work were being influenced by rapid advancements in information technology. Within this transition from Keynesian’s style economic policy to policy being influenced by neoliberal economic theory, there began a questioning of the Keynesian model of government subsidy of the arts.

These changes to government economic policy and the increased focus and trust in the market’s ability to determine the public and economic value of an enterprise both within the for profit and not-for-profit sectors had a seminal influence on the nature of government support for creativity more broadly, and the changes to the nature of government funding allocated to the arts, culture and design within national and state based policy frameworks. In effect the Keynesian model for the support and understanding of value derived from creativity and culture, one of an equilateral triangulation of institutional, intrinsic and instrumental value, began to change shape and balance.
6.2.1 Economic actors in the New Economy: Creativity and culture

It is no longer possible to separate the economic or productive realm from the realms of ideology or culture, since cultural artefacts, images, representations, even feelings and psychic structures have become part of the world of the economic. (Jean Baudrillard 1994, cited in Throsby 2001, p. 16)

As has been noted already, it was not until the Age of Enlightenment that the word ‘creativity’ appeared in the English language. Originally almost exclusively associated with high art and poetry, by the turn of the twentieth century attributes commonly associated with art were being ascribed to mathematics and the sciences (Tatarkiewicz 1980), such as creativity, innovation and inventiveness. Then, as the developed nations of the West moved from industrial economies to the knowledge and services economies, activities came to the fore as economic actors that had previously either been non-existent, latent or unrecognised until the shift in economic emphasis. Capturing the attention of policy makers was a range of activities with commercial potential deemed to rely on creativity, including art, craft, design, fashion, film, music, television and radio productions, software and advertising.

Finally, in 1997, the ‘New’ Labor government in the UK introduced the term creative industries in order to identify this sector of the economy in which ‘creative, intangible inputs add significant economic and social value’ (Hearn, Roodhouse and Blakey, 2007). The term was quickly adopted into public sector policy in Europe, East Asia and Australasia, and the concept of creative industries has become a key policy driver in the high-tech information and communications age.

As governments have begun to recognise the importance of creativity as a contributor to innovation and regional economic growth, there has been a corresponding increase in the amount of academic research and policy discourse seeking to understand how and to what degree creativity, the Arts and cultural activity contribute to regional economic development. Wyszomirski (2005) observes that cultural planning and industry mapping exercises aimed at gaining a greater understanding of the creative sectors stems from an econometric approach to defining and understanding industries and commonly assumes one of the four dominant analysis and definitional perspectives, economic impact,
products and services, occupations, or process. Figure 6.2 illustrates the influence of differing theoretical and policy perspectives that have sought to define and analyse the creative sectors and their contribution to regional communities and economies.

Mapping and measurement exercises stemming from these perspectives are commonly undertaken in isolation from each other and often adopt a methodology that validates particular policy agendas, strategies and tactics. This contributes to the sense that the term creative industries is code for a neoliberal cultural policy agenda. (McNamara, 2002; Hesmondhalgh and Pratt 2005; Liagouris 2005; Garnham, 2005, cited in Hearn, Roodhouse and Blakey, n.d.)

Collaborative Economics (2001), an American advisory service for entrepreneurs, notes that:

*We traditionally think of creativity as an attribute of an artist or the Arts. Yet creativity is a broad fundamental notion … [that] encompasses innovation, entrepreneurship and expression. It connotes both the art of giving birth to new ideas and the discipline of sharing and applying those ideas to the stage of realised value.*

(cited in Healey 2002, p. 91)
Instead of an either or approach to selecting an analysis or measurement methodology to gain a more nuanced understanding of the value of creativity, the arts, culture and design, Wyszomirski (2005) asks whether various vantage points can be combined to inform a clearer and more holistic understanding of the economic contribution made by creative individuals, the arts, cultural and creative industries.

6.3 Considering Australia’s creative endeavours as an economic policy focus

During the 1990s aspects of the Australian economy that had previously been afforded less policy attention, such as the leisure, sport and entertainment industries, experienced notable growth. Tanner (1999) cites Australian Bureau of Statistics (ABS) data that show a 59 percent increase in employment in cultural and recreational services between 1985 and 1995. This statistic is acknowledged by Tanner’s (1999) remark that ‘popular entertainment is now big business’ (pp. 72-73).

The significant growth in the market for popular entertainment was facilitated by increased efficiency of production and distribution across geographical divides, and prompted an increased awareness of these sectors in policy making spheres. This prompted the art, culture and design industries to seek to take advantage of this increased recognition by increasing their advocacy and research activity in order to stimulate increased government investment in these less obvious contributors to popular entertainment. A common thread of argument amongst all of these sectors was the promotion of their ability to differentiate Australia in an increasingly competitive global market place. In effect, this was promoting the instrumental value that creative and cultural activity could provide politicians and the community.

Accordingly, in July 1992 the Federal government led by Paul Keating appointed a panel of eminent Australians to provide advice on the formulation of a Commonwealth cultural policy. In 1994 what is stated to be the first cultural policy document in Australia’s history Creative Nation: Commonwealth Cultural Policy was released. Within the broader aspirations of ensuring Australia did not return to its previous reputation as a ‘cultural desert’ nor become part of ‘a sea of globalised and homogenised mediocrity’, Creative Nation stressed the importance of accepting and addressing the information revolution and the new media it spawned ‘not with fear and loathing, but with imagination and wit’.
The core philosophical and political argument for the development of a national cultural policy was that it was the Commonwealth’s responsibility to maintain and develop Australian culture. Intertwining theoretical arguments stemming from new or endogenous growth theory, as well as cultural policy theory, Creative Nation sought to:

- perpetually encourage innovation and ideas
- encourage self-expression and creativity
- preserve our heritage as more develops
- ensure all Australians have a chance to participate and receive that which we invigorate the national life and return its product to the people.

Creative Nation states:

>This cultural policy is also an economic policy. Culture creates wealth. Culture adds value; it makes an essential contribution to innovation, marketing and design. It is a badge of our industry…

>The level of our creativity substantially determines our ability to adapt to new economic imperatives. It is a valuable export in itself and an essential accompaniment to the export of other commodities. It attracts tourists and students. It is essential to our economic success. (Commonwealth Government of Australia 1994, introduction)

As a policy platform Creative Nation was welcomed and broadly supported by the Australian arts and cultural sectors as it indicated and acknowledged a broad conceptualisation of creativity’s value and a broader conceptualisation of where and how creativity could contribute to the Australian economy and cultural identity. In what could be considered a significant shift in thinking from the old economy and old government approach to the arts and cultural support, Creative Nation stresses the importance of making a connection between cultural and economic policy in the New Economy and clearly wove together strands of discourse acknowledging the institutional, intrinsic and instrumental value contributed by creativity and culture.

Implied by this assertion was the view that the technological revolution that formed part of Australia’s emerging cultural landscape provided extraordinary opportunities for enjoyment and creativity. It also argued that turning ‘the remarkable power of this new technology to a democratic and creative cultural purpose’ could not only inform and enrich Australians but also generate new realms of creative opportunity. These, the document argues, were the principal reasons why the Keating government linked the portfolios of Communications and the Arts, a departmental arrangement that endured through the subsequent Howard Liberal government in Australia.
6.3.1 Neoliberal reaction to the concept of a creative nation

When in 1996 the Liberal party, led by John Howard, embarked on a ten-year period of conservative political control of Federal government, the arts and cultural activity were no longer afforded the same level of acknowledgement or policy focus within the Liberal Party’s staunchly neoliberal economic agenda.

Once the Howard government was established and able to survey the policy legacy of the Labor government, questions were raised about public funding being invested into arts and cultural institutions and arts groups whose enterprise was based on a model of market failure. Government support of unviable institutions was at odds with the basic neoliberal economic theory that the market was the sole arbiter of success or the worthiness of an enterprise, and should be allowed to operate without interference. Arts and cultural businesses and support organisations that were not economically viable should either make changes to become financially sustainable, be defunded or cease to operate. Within many of the creative industries’ advocacy bodies and industry support organisations concern that neoliberal theory would be applied to arts funding stimulated significant numbers of research and advocacy documents that sought to demonstrate the importance of the sector and justify government support and funding.

Commissioned by the Hawke Labor government the enquiry conducted by Leo McLeay and its subsequent report *Patronage Power and the Muse, Inquiry into Commonwealth Assistance to the Arts* (1986) set the tone for the ensuing years of economic rationalist evaluation of the publicly funded arts and cultural sectors’ contribution to the economy. The Howard government (1996 – 2007), during the whole of its lifetime, invested in numerous enquiries into the sustainability and broad effectiveness of Commonwealth assistance to the arts.

In 1997, a year after its election, the Howard government’s plan for Australian industry, *Investing for Growth* (Commonwealth of Australia 1997) outlined an agenda to address the challenges and opportunities it considered Australia would face in competing in ‘a new global economy’. Like *Creative Nation* (1994), *Investing for Growth* highlighted the impact that developments in information technology and digital communications were
having on almost every sphere of life. *Investing for Growth* offered an industry reform agenda that put in place a regulatory framework in line with the Liberals’ economic rationalist approach of minimal government intervention in markets.

**Creative industries without the creative arts.** During the Howard years, the Karmel (1985), Finn (1991) and Mayer (1992) reports identified the key competencies required in the Australian labour market to drive innovation and economic growth. In particular the recommendations of the Mayer Committee were pivotal in informing future innovation policy and instruments that sought to develop human capital and competencies for innovation. The key competencies were defined as collecting, analysing and organising information; communicating ideas and information; planning and organising activities; working with others and in teams; using mathematical ideas and techniques; solving problems; and using technology.

Tamara Winikoff, CEO of the National Association for Visual Artists (NAVA), observed the erosion of value placed on the creative arts (as opposed to creative industry) by the Liberal government. She states that ‘over their time in office, the Liberals relied more and more on past achievements until finally in 2007, there was no arts policy statement at all (Winikoff 2008). To the Howard Liberal government the economic value of the arts and cultural sectors was conceptualised within an extremely narrow definitional framework, dominated by historical models of arts and cultural practice and the institutions that preserve and present them and measure them by very limited empirical methods. In spite of arguments (which relied on qualitative measurement over a longer period of time) from Australian creative sector advocacy groups, such as NAVA, seeking to demonstrate the instrumental value contributed by arts activity, arts representatives were unable to convince policy makers to increase program or project funding.

During this time there were loud protestations from the arts and cultural community such as the Arts Industry Council in South Australia regarding declining levels of funding and increased expectations that the arts and cultural sectors become more economically sustainable. Running parallel to this was the increasing discourse recognising creativity for its instrumental role in achieving social policy objectives outside of the cultural development agenda as well as articulating its role in stimulating
scientific and technological breakthroughs, ironically, as it always had. However, the
term creativity in this discourse was broadened way beyond traditional cultural and arts
activities, such as the visual and performing arts and applied to those activities in the
economy that were not only novel, but money-making. In this way, culturally valuable,
innovative and creative activities were sidelined and devalued as elitist and
uncompetitive.

6.4 Creativity an instrumental actor in the New Economy

The perception that the arts and cultural activity were elitist and uncompetitive became
politically unpalatable and contributed to the increasing conceptualisation and value
placed upon the creative industries ability to contribute instrumental value toward
achieving economic objectives outside of the purview of the arts and cultural sectors.

6.4.1 Creativity as instrumental actor in the concept of innovation
and the New Economy

Albert Einstein said:

*The intuitive mind is a sacred gift and the rational mind is a faithful servant. We have
created a society that honours the servant and has forgotten the gift.*

Stemming from the previous sections observation that since the rise of the New Economy
and the discourses surrounding it, there is a growing focus on the instrumental role
creativity and creative individuals play in the economy, perhaps at the expense of the
intrinsic value it contributes to the development of social capital and regional cultural
differentiation.

In examining the literature focusing on the importance of innovation to regional
economic development the following discussion establishes the links in discourses
considering creativity’s role in the innovation process. This discussion also considers the
intersection of the creative industries discourse and that of innovation, observing that it
is this intersection of ideas that has most influenced policy makers in South Australia
conceptualisations of the creative industries, and the objectives and strategies to foster
creativity within the South Australia’s Strategic Plan.

Freeman (2001) draws on the work of Pareto (1906), Van Gelderen (1913) and most
notably Kondratiev (1922) who noted that the process of economic growth is not just
stimulated by the introduction of new processes, products and systems, but is driven by them. Figure 6.3 (cited in Bradfield and Moody 2010, p.15) combines the observations of Freeman (2002) and Linstone (2002) to provide a summary of waves of significant innovations that have occurred since the industrial revolution in 1780s.

<table>
<thead>
<tr>
<th>Wave 1: Cotton, Iron and Water Power</th>
<th>Wave 2: Railways, Steam Power and Mechanisation</th>
<th>Wave 3: Steel, Heavy Engineering and Electrification</th>
<th>Wave 4: Oil, Automobiles and Mass Production</th>
<th>Wave 5: Information and Communication Technology</th>
</tr>
</thead>
<tbody>
<tr>
<td>Downswing(^1) 1815–1848</td>
<td>1873–1895</td>
<td>1918–1940</td>
<td>1973–?</td>
<td>2001–?</td>
</tr>
<tr>
<td>Technologies(^1) Cotton-spinning, and iron products, water-wheels, bleach</td>
<td>Railways and railway equipment, steam engines, machine tools, alkali industry</td>
<td>Electrical equipment, heavy engineering, heavy chemicals, steel products</td>
<td>Automobiles, trucks, tractors, tanks, diesel engines, aircraft, oil refineries</td>
<td>Computers, software, telecommunication equipment, biotechnology</td>
</tr>
<tr>
<td>Core inputs(^1) Iron, raw cotton, coal</td>
<td>Iron, coal</td>
<td>Steel, copper, metal alloys</td>
<td>Oil, gas, synthetic materials</td>
<td>Integrated circuits</td>
</tr>
<tr>
<td>Transport and communications infrastructure(^1) Canals, turnpike roads, sailing ships</td>
<td>Railways, telegraph, steam ships</td>
<td>Steel railways, steel ships, telephone</td>
<td>Radio, motorways, airports, airlines</td>
<td>Internet, ‘information highways’</td>
</tr>
<tr>
<td>Corporate organisation(^2) Owner-manager</td>
<td>Hierarchy</td>
<td>Division</td>
<td>Matrix</td>
<td>Network linkages</td>
</tr>
</tbody>
</table>


**Figure 6.3** Bradfield, Moody (2010, p.15) summary of waves of significant innovations, and the flow on effects to society.

Howitt (2004) observes that economic growth is sustained by the ‘occasional arrival of a major innovation that creates a new general purpose technology (GPT), a technology that is used throughout the economy, has a profound effect on the way economic life is organised, and gives rise to a wave of complementary innovations associated with its increasing use’ (2004, p. 12). However, as high tech or digital technology have become so pervasive in all aspects of our lives it has led to a bias in value towards knowledge contributing to technological innovations above other forms of knowledge and work.
6.4.2 Technology in the New Economy

Both Godin (2006) and Cooke and Leydesdorff (2006) argue that the concepts of the New Economy and the knowledge economy that became prominent in the 1990s are merely a revival of the discourse on the centrality of knowledge to science and technological development since the Industrial Revolution.

Within this debate there are two distinct schools of thought (Stiroh 2002). Both schools acknowledge technology as a feature of the development of the New Economy. However, one views the influence of technology as moderate while the other sees technology as a primary driver of the New Economy and economic development process.

Both Feldman (2002) and Freeman (2001) observe that the digital revolution not only impacted on business and trade but also on the individual, the social dimension, and the geographic. Freeman (2001) discusses the ‘crisis of structural adjustment’ that significant new technologies catalyse; stimulating institutional changes to legal frameworks, educational and training systems for new skills and professions, new management systems and new national and international standards’ (p. 121).

The Organisation for Economic Co-operation and Development (OECD) leadership and investment in academic research has stimulated the high regard for the organisations utility as an economic ‘think tank’, contributing to theoretical debates and the development of economic policy frameworks around the world. The OECD has increasingly broadened in its scope from its original advocacy role arguing for increased government investment in science and technology. Despite broadening its agenda to encompass research in areas outside of the field of science and technology, the early advocacy arguments emanating from the OECD asserting the primary importance of science and technology to regional economic growth have left an enduring legacy of ensuring that investments in education and developing South Australia’s pool of human capital are heavily weighted towards scientific knowledge and new technologies. This

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30 Representatives of the 30 OECD member countries meet in specialised committees, working groups and expert groups to advance ideas and review progress in specific policy areas, such as economics, financial markets, trade, science, employment, and education OECD. (2008). ‘About the OECD’. Retrieved 5 Aug 2008, from http://www.oecd.org/pages/0,3417,en_36734052_36761791_1_1_1_1_1_00.html.
has distracted South Australian policy makers from considering the valuable role and importance of fields of knowledge within the Humanities, Arts and Social Sciences (HASS) in economic development and has contributed to the conceptually narrow objective and approach to developing creative and innovative people within the 2004 South Australian Strategic Plan.

6.4.3 Innovation – a creative destruction

In 1934 Schumpeter introduced the theory of *creative destruction* to describe the way in which old ways of doing things are endogenously destroyed and replaced by the new. Schumpeter defined economic innovation in *The Theory of Economic Development* (Schumpeter 1934) as the introduction of a new good that is one with which consumers are not yet familiar—or of a new quality of a good. Schumpeter (1934) identified the following five types innovation:

- introduction of a new product or a qualitative change in an existing product
- process innovation to a new industry
- the opening of a new market
- development of new sources of supply for raw materials and other inputs
- changes to industrial organisation.

He argues that a successful introduction of an innovation disturbs the normal flow of economic life, because it forces some of the already existing technologies and means of production to lose their positions within the economy.

Schumpeter (1934) challenged the notion that the economy or market place was ever in exact equilibrium and noted that neoclassical economic theory and early business management practices did not, and could not, account for the role of the individual entrepreneur or innovative behaviour in determining a business’s fortune. Rather than the linear process-orientated bureaucratic management of the previous generation of business administrators, the qualities that are sought in the new generation of corporate leaders and small business owners are creative thinking, entrepreneurial acumen and skills in leading innovation. Acknowledging the work of Pavitt (1984), the OECD (2001) observes that there are sectoral differences in the application and outcomes of the innovation process and define four sectoral types:
- supply dominated sectors – such as traditional clothing and furniture where firms generate few important innovations themselves, but rather import them from other firms
- scale intensive sectors – (such as food processing and cement) in which process innovations predominate
- specialised suppliers – (such as engineering, software, and instruments) are characterised by frequent product innovations, often developed in collaboration with their customers
- science based producers – (such as chemicals, biotechnology, and electronics) who develop both new products and processes, sometimes in close collaboration with universities and research institutes (p. 13).

This widely held typology identifying the places of or markets for innovations implies that the innovation process conforms to a linear or scientific approach.

Sporer and Bhatia’s (2001) review of the sociological and economic literature and debates defining innovation reveal a common distinction is made between discovery, invention, innovation and change. A *discovery* contributes a completely new addition to an existing body of knowledge; an *invention* is the creation of something completely new that did not exist before, but is based on existing knowledge; and *innovation* is based on a combination of discovery and invention.

### 6.4.4 The Howard government’s innovation agenda

Following the lead of many European OECD nations, in February 2000 the Howard government and the Business Council of Australia convened the National Innovation Summit to assess the strengths and weaknesses of Australia’s innovation system, and to formulate ways to improve performance in this area. It also sought to provide a framework to address innovation policy issues in a comprehensive and coordinated manner.

In the same year and a year later, two more reports were released that significantly influenced policy discourse related to the importance of creativity to Australia’s economic prosperity. *Innovation Unlocking our Future* (2000), and *Backing Australia’s Ability – Real Results Real Jobs* (Commonwealth of Australia 2001) both articulated a role for creative thinking in the innovation process, while adhering to the technologically focused conceptualisation of the role creativity plays in the economy. It followed,
logically, therefore that creative industries associated with technology were viewed as areas for investment in the development of knowledge and human capital because investment there would provide the greatest public value.

The final report of the Innovation Summit Implementation Group *Innovation Unlocking our Future* (2000) was delivered after 18 months of analysis of the strengths and weaknesses of Australia’s capacity for innovation. The report makes key recommendations about what actions and investments were necessary to build a solid, sustainable research and development base from which ideas could grow.

Creativity is described as important to the government’s innovation objectives. However, the emphasis is on innovation stemming from creative maths and science. This completely ignores for example the contribution of design in the product development process and the role of the social scientists, artists, illustrators and graphic designers in stimulating, informing and supporting the adoption of innovations within the community. The report’s recommendations focus in three areas: creating an ideas culture; generating ideas; and acting on ideas. Picking up on the language of business and enterprise the executive summary of the report states:

> We need to create the right culture to support us in our efforts to become better innovators. For example, improving our vision, attitude and strategic approach to innovation, the entrepreneurial expertise of our managers, and our graduates’ skills in creativity, oral business communications and problem solving... (p. ix)

The following statement entwines the discourse surrounding the knowledge economy, education, management and human resource theory, innovation and entrepreneurship, stating:

> If Australia is to be a nation of successful innovators, we must promote an ‘ideas environment’; a culture that nurtures good ideas and supports entrepreneurs. …It also means a commitment to lifelong learning, and establishing creative working environments to sustain a highly skilled and motivated workforce where excellence in research and innovation can flourish... (p. 2)

The report then becomes more focused on the knowledge typologies, sectors and industries in which it considers creativity is of most economic benefit, stating:

> Like other countries, Australia is experiencing a shortage in the number of graduates in mathematics, physics, chemistry and information technology. Yet it is these skills
which serve as core building blocks for basic research and development. Such skills shortages will affect the capacity of business to carry out research and development and to conduct knowledge-based activity and will be a significant constraint on investment in vital areas of the New Economy. (p. 6)

Beyond the commitments already made in areas such as biotechnology, environmental sustainability and health and medical research, we must nurture our research capabilities in the ‘enabling’ sciences of physics, chemistry and mathematics, and also in the humanities and social sciences. Research in the humanities and social sciences, for example, can enhance the organisational, management, legal and marketing knowledge that is critical to successful innovation. (p. 15)


Considered essential to achieving the Liberal government’s reform agenda was a policy environment that encouraged innovation, both in terms of research and development (R&D) and in the widespread take up of new technologies. This echoed Creative Nation’s acknowledgement of the importance of technology to Australia’s economic future, but ignored Creative Nation’s assertion that creativity makes an essential contribution to innovation.

As previously noted, during the Howard government’s years in office, arts and cultural policy remained part of the responsibility of the Communications and Information Technology Minister. With a technology sector undergoing rapid growth, and delivering high levels of GDP, the arts’ importance in terms of policy focus and investment was increasingly overshadowed by the ITC and digital media sectors.

State of the regions in the innovation agenda. In 1984 the private economic research consulting and training group The National Institute of Economic and Industry Research (NIEIR), also known as National Economics, was founded and has been commissioned by the Australian Local Government Association (ALGA) since 1997 ‘to provide an annual stock take of the economic well being of Australia’s regions and their prospects for economic development and employment growth’ (Australian Local Government Association 2002 - 2009).

Coinciding with the final stages of the writing of the South Australian Strategic Plan the 2004-05 State of the Regions report (National Economics 2005), as with previous editions, offers a framework for ‘understanding and analysis of regional development and to
provide the foundations for planning and policy direction'. The report’s conclusions are summarised in what they term ‘stylised facts’. In each edition, a new fact is added or adds to a previous ‘stylised fact’. In the 2004-05 *State of the Regions* report there are a number of ‘stylised facts’ that directly relate to, inform and influence the policy perspectives on the role and need for the development of creative capital to foster economic growth and sustainability. Of note is the reports inclusion of the term *creativity*. The report calls for a focus on developing regions’ human capital by investing in both hard and soft infrastructure that will enable knowledge and creativity to make increasing contributions to economic and employment growth.

Although there is acknowledgement for the role of the social sciences in enhancing organisational management, and providing legal and marketing expertise, other areas of the Humanities, Arts and Social Sciences (HASS) have been afforded little acknowledgement for their role in regional economic development compared to maths and scientific knowledge. This narrow conceptualisation of the ways in which creativity could contribute to economic development is at odds with the much broader perception of creativity’s value stated by the Labor government in *Creative Nation* in which R&D in science and technology, and the mechanisms of transmission had been supported, such as information technology, but were underpinned by policies and investments in the development of cognition and creativity in less obviously economically muscular activities.

As has been discussed in Section 2 of this thesis, much of the debate and research surrounding the role of creativity in regional economic development has focused on the so called creative industries, in particular those involving science and technology – the *digital creatives*. Stuart Cunningham (2003a) observes that to date the lion’s share of government resources invested on R&D programs have been directed toward science and technology based companies. This focus on the instrumental role of creativity and creative enterprises developing and using digital media has tended to obscure a wider appreciation of the role of creativity, creative capital, and creative industries in Australia.

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31 Each year the report focuses on a specific aspect of regional development and describes the most probable driver or influence for that particular aspect.
In 2005 the Prime Minister’s Science Engineering and Innovation Council Working Group (PMSEIC) made recommendations for ‘leveraging the intellectual and creative wealth of our nation’, and proposed that creativity and design are pivotal in stimulating innovation across a wide variety of industries. The committee also cites in particular the broader notion of the creative industries, and highlights OECD countries that have developed strategic initiatives:

*To foster innovation through acknowledging and incorporating culture, creativity and design in community and economic growth initiatives, including harvesting the arts, entertainment and creative sectors as key growth sectors of their economies.* (PMSEIC 2005, p. 7)

PMSEIC’s acknowledgement of the potential for the creative industries to make a significant contribution to the economy was informed by two distinct strands of academic and advocacy arguments that grew in intensity from the 1980s. Both arguments articulated a role for creativity and creative individuals in stimulating regional growth and prosperity. Within the business, science, and industry sectors there was increasing recognition of the value of creativity within an organisation’s strategic approach to attract and retain a knowledgeable and highly skilled workforce, stimulate innovation, and boost competitiveness to retain and increase market opportunities.

### 6.4.5 Innovation more complex than a liner scientific progression

Within the sphere of theoretical discourse, the New Economy and endogenous economic development are discussed in the literature in terms of regional innovation systems. Three differing types of knowledge bases are described as contributing to innovation. These types of knowledge are illustrated using professional domains and include: the synthetic (engineering based), the analytical (science based), and the symbolic (creative based) (Sporer and Bhatia 2004, pp. 2, 4).

A broad definition of innovation’s role in economic development posed by the OECD in 2001 is that ‘innovations are understood as new creations, which have economic significance by virtue of their adoption within organisations. Therefore, they embody knowledge that is in demand’ (OECD 2001, p. 12).
One can observe, however, simply by looking at the examples provided by the OECD, that the creative industries would be as well represented as facilitators of innovation as science, engineering and technology. Furthermore, the contribution of the creative arts to the harder disciplines of engineering or science and vice versa adds further layers of complexity to innovation and cultural activity. As Edquist (1997) suggests, the importance of the social and cultural contexts in which innovations are stimulated and adopted makes the process of innovation much more complex than a simple linear progression adhering to a single knowledge domain or methodological approach.

Buchanan (1992) observes that the reason for the persistence of linear approaches to fostering innovation is reinforced by the increasing specialisation of learning and knowledge through the growth in size and status of academies from the Renaissance to now which has contributed to the increasing fragmentation of spheres of knowledge used in examining issues and solving problems faced by society. He observes that as spheres of knowledge and disciplines have become progressively narrow in scope and more numerous, they have lost:

\[ \text{Connection with each other and with the common problems and matters of daily life} \]
\[ \text{from which they select aspects for precise methodological analysis. (1992, p.6)} \]

This observation that the specialisation of knowledge causes disconnections can be applied to policy spheres. Most policy agencies, however, in an attempt maintain stability and control policy and cost efficiency, adopt analysis and evaluation models that tend to be informed by a singular knowledge taxonomy. This narrow approach, which includes ignoring innovative models of defining and valuing creativity, is unlikely to stimulate either the development of or investment in policy related to social or environmental innovations, which are conceived of and applied more broadly by individuals seeking to work across traditional disciplinary boundaries.

**Innovation a process not a product.** Endogenous growth theorists argue that ‘change’ stimulates innovation\(^\text{32}\), in particular technological and organisational innovation, which

\[^{32}\text{In 1934 Schumpeter argued that a successful introduction of an innovation disturbs the normal flow of economic life, because it forces some of the already existing technologies and means of production to lose their positions within the economy.}\]

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in turn fosters economic growth. The promotion of the scientific and technological domains as the primary areas in which innovations occur within a competitive market has obscured a broader appreciation of environmental, social and cultural innovations implemented by individuals and enterprises from the creative sectors.

Edquist (1997) argues that innovations emerge and are translated into new products and services through a complex feedback mechanism. This observation interprets innovation as the process, not the product, and suggests there is a similarity to the terminological confusion surrounding creativity and design as product not processes.

The Review of the National Innovation System (2008) asserts that:

> Many government workplace and innovation programs in Australia are directed at technological or scientific innovation while only a few are directed at strengthening innovation management inside organisations, including leadership and culture… The challenge is how best to promote successful adoption and diffusion of high performance work systems in both the public and private sectors. (cited in Green 2009, p. 20)

As the plethora of governmental reports on the role of innovation in economic development demonstrate, so called ‘economically significant innovations’ are commonly recognised within the realms of science, technology and engineering in which the outcomes of innovation can be recognised as patents and in some cases but not all new products and processes released onto the market. In most instances these industries and the policy makers that support them fail to acknowledge the supporting activity the creative industries play in their success. Ivan Turok (2004) Department of Urban Studies at the University of Glasgow suggests there is a tendency to neglect the wider range of lower status, longer-established and ‘medium tech’ industries with considerable scope for design improvements, process enhancements and market diversification, such as advanced engineering, quality clothing and furniture or natural resource processing.

Within the sphere of theoretical discourse, the New Economy and endogenous economic development are discussed in the literature in terms of regional innovation systems. Three differing types of knowledge bases are described as contributing to innovation. These types of knowledge are illustrated using professional domains and include: the synthetic (engineering based), the analytical (science based), and the symbolic (creative based) (Sporer and Bhatia 2004, pp. 2, 4).
Jason Potts (2007) observes that the heavy focus on innovation as a business centric, technical search and discovery process largely ignores:

*The more complex interactions between producers and consumers, as well as subsequent phases beyond technology innovation, such as adoption and adaptation of a novel product or service to human lifestyles, along with its retention and normalisation by a population of carriers.* (p. 7).

In a speech responding to the Government's innovation white paper, *Powering Ideas: An Innovation Agenda for the 21st Century* Roy Green (2009) argued that Australia has underinvested in knowledge and innovation, thus limiting the nation's prospects of longer term, sustainable growth. At a subsequent conference Green, Agarwal and Hall (2009) argued that:

*Innovation is more than science and technology; … it is non-linear with multiple sources (conference PowerPoint)*

He highlights that often the development of an innovative product or service does not necessarily occur as core business of an organisation, but that:

*Hidden innovation’ occurs in the spaces and interfaces within and between organisations, … low tech and high tech industries are driven by collaboration not silos.*

Green also points out that:

*Innovation can be incremental and evolutionary, as well as breakthrough and ‘disruptive’.*

This suggests that governments pump priming the R&D departments of major companies expecting innovation breakthroughs and an increase in patented registrations may well be missing out on a multitude of incremental innovations that could invigorate the development and sustainability of a regional economy because they are not investing more creatively. Howard (2008) argues that in the emerging global economy, it has become more difficult for businesses to compete on the basis of technology and cost alone. They must compete on ‘non-price’ factors, such as brand, reputation, product ‘look and feel’, and their ability to interact with customers. These are precisely the elements to which artists, designers and writers (creative professionals) contribute.
From these observations, Green (2009) asserts regional economies wanting to realise innovation must invest in capabilities and skills for innovation, invest in the management of innovation and invest in collaboration between a variety of knowledge sectors.

6.4.5 Creativity, innovation and design processes, not products

Within the context of enhancing business performance, creativity, innovation and design are commonly defined thus:

- **Creativity** is the generation of new ideas — either new ways of looking at existing problems, or seeing new opportunities, perhaps by exploiting new technologies or changes in markets.

- **Innovation** is the successful exploitation of new ideas. It is the processes that carry them through to new products, new services, new ways of running the business, or even new ways of doing business.

- **Design** is what links creativity and innovation. It shapes ideas to become practical and attractive propositions for users or customers. Design may be described as creativity deployed to a specific end. (DTI 2005, UK Treasury 2005, cited in Howard 2008, p. 8)

Beckman and Barry (2007) observe that as organisations are confronted with increasingly complex business challenges, many have sought to understand the more fundamental principals underlying the innovation process, in which design plays an important role.

As Buchanan (1992) observes, ‘design has grown from a trade activity, to a segmented profession, to a field for technical research and to what now should be recognised as a new liberal art of technological culture’ (p. 5). As acknowledge by Green earlier (Green 2009), the design process is increasingly being considered and applied for its ability to draw together knowledge from all fields in developing the most appropriate solution to the issue at hand.

Drawing from academic discourse on knowledge and learning, Charles Owen (2007) developed a model that considered design as a process of knowledge development, in which both analytic and synthetic knowledge are of equal importance in the translation of theoretical observations and developments into practice in the form of artefacts and institutions (ibid, p. 27).

Some industrial economists and business development theorists and coaches have embraced the design process as a more integrated social process as a means to stimulate
and foster innovation in multiple contexts. The following diagram (Figure 6.4) illustrates the relationship between the soft innovations contributed by art and creative practices on the one hand, the hard innovation contributed by science, technology and engineering on the other, both of which contribute to creative products and services, such as film, music, games, multimedia production.

Figure 6.4 Dimensions of innovation shows a framework for thinking about innovation that draws on the foundations both of science and technology and of art and creative practices (Howard 2008, p. 8).

Whilst recognising interactions between the creative sectors and the science and technology sectors the diagram above is limited in its ability to inform policy makers seeking to develop strategies and policy instruments that will enable the combination of these sectors to contribute to complex problems societies’ face, problems that require multiple knowledge lenses in order to addresses them.
6.5 Proposing a relationship between culture-based creativity and innovation

KEA\textsuperscript{33} develops the concept of culture-based creativity and its application and impact on the development of new products and services (Figure 6.5) stating that:

\textit{Culture-based creativity is an essential feature of a post-industrial economy. Culture is the general expression of humanity, the expression of its creativity. Culture is linked to meaning, knowledge, talents, industries, civilisation and values. (KEA European Affairs 2009, p. 3-4)}

![Diagram showing features of culture-based creativity leading to innovation and generating economic and social values]

\textbf{Figure 6.5} The impact and value of culture-based creativity on the economy (KEA 2009, p. 4)

Rather than considering culturally-based, economic, scientific or technological innovation as an either/or choice for policy makers, KEA notes the \textit{Oslo Manual's} (2005) guidelines for collecting and interpreting innovation data that recommends that ‘policies on innovation need to be developed so as to recognise the cross-sectoral and multi-disciplinary aspect of ‘creativity’ which mixes elements of ‘culture-based creativity’,

\textsuperscript{33} KEA is a consultancy based in Brussels specialising in providing advice, support and research in relation to creative industries and sport since 1999.
‘economic’ as well as ‘technological’ innovation (cited in KEA (2009, p. 8). Figure 6.6 illustrates how the Oslo Manual conceptualises the relationships and exchanges between the differing knowledge/disciplines from which innovations can occur.

![Diagram](image)

**Figure 6.6** Oslo Manual, Guidelines for collecting and interpreting innovation data, a joint publication of OECD and Eurostat, third edition 2005, p.15, cited in KEA 2009, p.8)

This diagram demonstrates the ways in which the relationships and communication channels are singular and direct. However, multiple institutions and individual actors, including the social and cultural environment, have a significant influence in enabling the translation of ideas into innovative processes, products and services. Therefore the diagrammatic connections should represent a web or network of exchanges between the nodes of innovation and cultural creativity.
6.5.1 Ideas and knowledge for stimulating creativity and growth in the New Economy

The OECD’s work acting as a think tank, publisher and mediator between statistics and policy has promoted the concepts such as the knowledge-based economy, the New Economy, high technology and the information society to its member countries has, as Godin (2006, p 17) suggests, converted these concepts into buzz words to easily capture the attention of policy makers.

The OECD’s definition of ‘knowledge based economies’ was those that are directly based on the production, distribution and use of knowledge and information, together with a high level of investment in innovation. The organisation asserts:

Knowledge is now recognised as the driver of productivity and economic growth, leading to a new focus on the role of information, technology and learning in economic performance. The term ‘knowledge-based economy’ stems from this fuller recognition of the place of knowledge and technology in modern OECD economies. (OECD 1996, p. 3)

In the mid-1990s, the organisation considered the knowledge economy was driven by the intensive use of acquired technology and a highly educated workforce. Many governments view the OECD’s work as a benchmark from which to compare policy experiences, seek answers to common problems, identify good practice (as determined by the theoretical and ideological viewpoints of the dominant member countries), and coordinate domestic and international policies. The research undertaken by the OECD has provided policy makers with reason to increase its support and investment in industries that rely on science and technology as their primary knowledge base and input to production. In turn this stimulated an increased policy interest and investment in science-based education at all levels.

Freeman (2001) alerts us to the confusion between notions of information and knowledge that has occurred in the midst of the enthusiastic uptake of new digital technologies and the advocacy based evidence that purports ICT’s fundamental importance to economic growth:

Since its establishment in 1961, the OECD’s objective has been to help its member countries achieve sustainable economic growth and employment and to raise the standard of living in member countries while maintaining financial stability. OECD’s work is based on continued monitoring of events in member countries as well as outside OECD area, and includes regular projections of short and medium-term economic developments. The OECD Secretariat collects and analyses data, after which committees discuss policy regarding this information, the Council makes decisions, and then governments implement recommendations.
ICT is no different from earlier waves of technical change. Some exaggerated expectations about the future of radical new technologies are just as inevitable as the collapse of those expectations. Information technology is only the latest one in a succession of pervasive new technologies, which have transformed the world economy and which Schumpeter designated as ‘successive industrial revolutions.’ (p.118)

A paper published by the James Irvine Foundation, Linking the New Economy to the Liveable Community, (Henton and Walesh 1998, p. 4) emphatically argues that:

*The New Economy is not about high tech. The idea that the New Economy means high tech has held back real understanding of the New Economy. … The New Economy is not a set of new industries; rather it is a set of new sources of competitive advantage faced by all industries. The New Economy is about speed, quality, flexibility, knowledge, and networks. It is about applying knowledge and new ways of doing business to a wide range of products and services, from agriculture and apparel to business services, retail, and software. (p. 4)*

**Changes in the value and types of specialist knowledge and labour.** The rapid adoption of new technologies in the New Economy not only transformed business and organisational parameters but also influenced economic analysts and policy makers to consider changes in the value and types of specialist knowledge and labour within the production function. Within a rapidly shifting economic and industry landscape, Solow’s (1956) neoclassical economic model of diminishing returns was being questioned as to its relevance for accounting for the impact of human capital in the economy. Applying Solow’s (1956) model creates an anomaly in the analysis of the value and returns of investing in human capital. If the theory of diminishing returns were applied to human capital theory, one would assume that as a worker expends their ideas and energy, the labour value contributed to the production function by an individual would diminish over time. Reich (1991) argues that human capital operates to a different principle to that of diminishing returns. He argues that ‘because people learn through practice, the value of what they do usually increases as they gain experience’ (Reich 1991, p. 109).

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35 The James Irvine Foundation describes itself as a philanthropic non-profit organisation established to benefit the people of California. It seeks to promote social equity and enrich the cultural and civic life of Californians, America’s most populous state through its grants in three areas: the arts, youth and education, and state governance and civic engagement. (www.irvine.org)
In 1959 research undertaken by Edith Penrose focused on teams and organisational knowledge; arguing that ‘the firm’s productive potential was largely determined by its distinctive stock of knowledge and experience’ (cited Leadbetter 1999, p. 70). The firm’s development of this knowledge and ability to translate it into tangible objects or services determined an enterprise’s success and thus its contribution to the broader economy.

In 1962 the work of Machlup pioneered the notion of the ‘knowledge economy’, and stimulated a shift in the discourse from labour and human capital to an increasing recognition of the role and application of knowledge as a significant factor in economic development (Cooke and Leydesdorff 2006). Machlup mapped and identified industry sectors with a high concentration of knowledge assets, which he classified into six major sectors: education, R&D, artistic creation, communications media, information services and information technologies. Machlup’s research showed that in 1962 these sectors accounted for the largest share of GDP and employment in the economy and predicted this would grow over time.

**Human capital, knowledge and wealth creation.** Peter Drucker was the primary proponent of the methodology *management by objectives* in which performance is measured against stated organisational and specific work related goals, arguing that this encourages and supports individuals utilising their individual skills and knowledge to achieve specific organisational goals. In 1967 Drucker observed a shift in the relationship between human capital, knowledge and wealth creation stating that economies would increasingly rely on:

> The man who puts to work what he has between his ears rather than the brawn of his muscles or the skills of his hands. (Drucker, 1967, p. 3, cited in Guy and Hitchcock 2000)

By the late 1980s knowledge was commonly considered to be the means by which economic productivity of regional economies could be enhanced. To this end he asserted that the fundamental task of management ‘is to make people capable of joint performance by giving them common goals, common values, the right structure, and the ongoing training and development they need to perform and respond to change’ (Drucker 1988, p. 65, cited in Guy and Hitchcock 2001, p. 42).
Drucker (1993) observed an increasing importance being placed on the need for knowledge to be applied to create new knowledge itself. Those who applied their knowledge in this way he termed the ‘knowledge worker’. He concluded that productivity was no longer solely dependent on the efficiencies in translating labour and raw material into goods; rather productivity and profitability is reliant on the development and translation of new and specialist knowledge of an organisation's workers.

**Categorising knowledge and learning.** Within the growing discourse at this time surrounding the importance of knowledge, knowledge is distinguished as either analytical (scientific), synthetic (technical) or symbolic (creative).

Collins (1993, cited in Blackler 1995) categorised knowledge in the following forms, *embrained, embodied, encultured, embedded and encoded*. *Embrained knowledge* is knowledge that is dependent on conceptual skills and cognitive abilities; *embodied knowledge* is action oriented and is likely to be only partly explicit (sometimes described as example ‘know how’ or practical thinking); *encultured knowledge* is achieved through shared understandings related to the process of socialisation and acculturation; *embedded knowledge* resides in systematic routines and relationships between technologies, roles and formal procedures; *encoded knowledge* is conveyed through signs and symbols such as books, manuals and codes of practice (Blackler 1995, pp. 1023-1025).

Endogenous growth theorists consider the knowledge residing within the labour force as fundamental to the production of goods and services. New knowledge, they argue, is generated through explicit\(^{36}\) and tacit knowledge\(^{37}\) developed and accumulated within the organisation’s labour force and either transformed into goods and services within that particular business or in some cases spilling over into other businesses and regions.

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\(^{36}\) Drucker asserts that explicit knowledge can be articulated into formal language, including grammatical statements (words and numbers), mathematical expressions, specifications, manuals, etc. Explicit knowledge can be readily transmitted others.

\(^{37}\) Boisot (1999) proposes there are three types of tacit knowledge: things that are not said because everyone understands them and takes them for granted; things that are not said because nobody fully understands them; and things that are not said because, although some people understand them, they cannot costlessly articulate them’ (Boisot, M. 1999 Knowledge Assets: Securing Competitive Advantage in the Information Economy, cited Callahan, S. Want to manage tacit knowledge? Communities of practice offer a versatile solution. Melbourne, self published.)
stimulating further economic growth. The term the *knowledge-based economy* is considered to reflect the conceptualisation of knowledge as an economic asset, and broadened to consider the importance of different types and modes of applying knowledge (including creativity) within the entire economic system not just a few significant industries.

### 6.5.2 The importance of using knowledge creatively in the New Economy

A contemporary of Drucker, John Kenneth Galbraith in his work the *New Industrial State* (1967) observed significant changes occurring in industrialised economies. Galbraith explored the relationship between large corporations and a newly emerging class of creative labour, specifically artists (cited in Romer 1990).


In his book *The Future of Success: Working and Living in the New Economy*, Reich (2001) proposes that Drucker’s term ‘knowledge worker’ is no longer adequate to describe the qualities of those who are of most value in the contemporary workforce (2001, p. 53). In order to create and sustain a competitive advantage, an increasing trend emerged for businesses to provide specialised services and products that required not only the application of specialist knowledge and skills but also the development of clever differentiation strategies and processes.

Reich (1991) uses the term ‘symbolic analyst’ to describe the increasingly valuable group of workers within the economy. The skills of the symbolic analyst include problem solving (research, product design, fabrication), problem identification (marketing, advertising, customer consulting), and brokerage (financing, searching, contracting). Reich argues that the economic significance of the symbolic analysts’ knowledge and skills is realised when technical insights are combined with strategic commercial acumen stimulating new market opportunities and industries (Blackler 1995, p. 1027).
Castells (2001) and Reich (1991) point to the individual worker, or as Castells describes, ‘talent’, as the key resource in the New Economy, an economy in which learners and workers must ‘draw on their entire spectrum of learning experiences and apply what they have learned in new and creative ways’ (Seltzer and Bentley 1999, p.viii). Seltzer and Bentley’s report (1999), *The Creative Age – Knowledge and Skills for the New Economy* asserts that:

> Using knowledge creatively is central to realising economic and social value, and to developing individual potential to thrive....In many ways, the rising importance of creativity is driven by the emergence of a knowledge based economy. However creativity is also vital to meeting the social, political and cultural challenges of next century. (p. 7)

### 6.5.3 The arts arguing their importance in the development of a creative economy

Buoyed by theoretical perspectives arguing the importance of creativity to regional economic growth many in the Arts sector drew from this discourse to justify their arts advocacy arguments. Drawing from the discourse, of course, meant that the Arts sector began to adopt the language being used to describe the sector by governments and economists. The following extract from a report that was written resulting from the cooperative agreement in the United States between the National Endowment for the Arts and the National Governors Association Centre for Best Practices (NGA) (2001). This is an excellent example of how economic language has been adopted by the creative sectors across Western economies in their attempts to maintain and grow government support and funding. It interweaves John Holden’s (2004, 2006) conceptualisation of the types of value contributed by creativity and culture – institutional, instrumental and intrinsic. The report states:

> Arts programs have served as components of high-impact economic development programs by assisting state and local government in:
> 
> Leveraging human capital and cultural resources to generate economic vitality in under-performing regions through tourism, crafts, and cultural attractions;
> 
> Restoring and revitalizing communities by serving as a centrepiece for downtown redevelopment and cultural renewal;
> 
> Creating vibrant public spaces integrated with natural amenities, resulting in improved urban quality of life, expanded business and tax revenue base, and positive regional and community image; and
Contributing to a region’s ‘innovation habitat’ by simultaneously improving regional quality of life -- making communities more attractive to highly desirable, knowledge-based employees -- and permitting new forms of knowledge-intensive production to flourish.

Governors can position their states to use the Arts effectively by promoting new partnerships among state agencies, communities, and the business sector and by harnessing the power of the Arts and culture as tools that unite communities, create economic opportunity, and improve the quality of life. (NGA Centre for Best Practices 2001, p. 1)

Arts advocates have long argued that a school curriculum rich in arts boosts academic achievements in other subjects; supports the development of social or ‘non cognitive’ skills, from self-confidence to communication skills; and provides experience and skills in team-work, problem solving, cultural understanding, and decision-making. The long running advocacy arguments posed by the Arts, cultural and design sectors have clearly drawn aspects of their arguments from human capital debates and theories stemming from endogenous growth theory discourse. Work emanating from the United States in this area has been particularly influential in informing the debate, with arts industry and policy circles considering types and levels of investment in arts education at all strata of the education system. Despite the seemingly balanced discussion of all forms of creative/cultural value understandably it is the instrumental value that is of primary focus is points raised regarding economic development.

For example, an issues brief from the US National Governors Association Centre for Best Practices (NGA) (2002, p. 1) which advocates for the instrumental benefits that the Arts and cultural activity can provide to the community and therefore the economy. The report provides examples of arts-based education as a money-and-time saving option for states looking to build skills, increase academic success, heighten standardised test scores, and lower the incidence of crime among general and at-risk populations. The report provides policy recommendations for US states looking to initiate or strengthen arts education programs that improve productivity and foster workforce development.

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38 The NGA Center for Best Practices’ Education Division provides information on best practices in early childhood, elementatal, dropout prevention and recovery, high school redesign, access to and success in postsecondary education, and extra learning opportunities. (www.nga.org/center/edu/)
It is clear that arguments stemming from the theoretical debates around endogenous growth theory have influenced many of the statements contained in the issues paper such as:

*Even in the most successful New Economy regions, civic leaders are beginning to take stock of artistic and cultural assets, recognizing that they are essential to quality-of-life, which is, in turn, necessary for sustained growth in the New Economy.* (NGA Centre for Best Practices 2001, p. 8)

*The arts contribute significantly to the creation of the flexible and adaptable knowledge workers that businesses demand to compete in today’s economy*…

*Schooling in the Arts has cognitive effects that help prepare students for the 21st-century workforce*…

*Arts programs combine academic and workforce development skills in a manner attractive to participants of all age groups and economic backgrounds*; *workforce development programs that involve the Arts may provide dual benefits, opening up careers in the creative industries for some students while enhancing the overall workforce preparedness of others.* (ibid, pp. 1–4)

Another significant report to argue for the importance of the Arts and creativity within the school curriculum is *Champions of Change: The Impact of the Arts on Learning* (Burton, Horowitz and Abeles, 1999). The NGA issues paper refers to the *Champions for Change* research summarising its findings that ‘arts education can enhance academic achievement, reach students on the margins of the educational system, create an effective learning environment, and connect learners’ experiences to the world outside of school’ (NGA Centre for Best Practices 2001, p. 3). These reports reflect the tenor of the plethora of reports seeking to extol the benefits of an education rich in arts and culture and creative activity during a time when maths and science were developing primacy within the school curricula.

Data presented in *Champions of Change* illustrates that learners can attain higher levels of achievement through their engagement with the Arts. One of the case studies in the report, *Learning in and Through the Arts* (LITA) found much evidence that:

*Learning in the Arts has significant effects on learning in other domains; suggests a dynamic model in which learning in one domain supports and stimulates learning in others, which in turn supports and stimulates learning in a complex web of influence described as a ‘constellation.* (Burton, Horowitz & H. Abeles 1999, p. viii)
Anne Bamford (2006, cited in ARC Centre of Excellence for Creative Industries and Innovation & Australia Council for the Arts 2007) provides a more specific description of the ways in which art can enhance the education experience of individuals. In doing so she distinguishes between:

1. Education in art – teaching the practice and principles of the various arts disciplines, stimulating critical awareness, and developing the capacity for aesthetic judgment.

2. Education through art – this includes seeing it as a vehicle for learning other subject content, or for developing particular skills such as communication skills or team working.

The assumed objective of Education in Art is to derive instrumental value from the creation and observation of art and cultural production; whereas Education through art can be considered as a vehicle for deriving instrumental value.

The extent to which the stimulation and development of creative capital is supported by education policy has been an issue hotly debated within the Arts in Australia for many years. For example, the report *Educating for the Creative Workforce: Rethinking Arts and Education*, commissioned by the ARC Centre of Excellence for Creative Industries and Innovation and Australia Council for the Arts in 2007, states,

> Whilst arts advocates often seem to feel that ‘making the case’ for their subject is important, the quality of that case making is often poor. What is required is a less defensive approach, which accepts the value of these subjects, but seeks to understand more about how the particular facets of arts education that are important for developing creativity – open enquiry, critique, collaborative learning, can be mainstreamed within practice. (p. 33)

Upon extensive review of the Arts/education literature Oakley (in ARC Centre of Excellence for Creative Industries and Innovation & Australia Council for the Arts 2007, p. 6), observes:

> There are two sets of literature that discuss the important role creativity plays in the development of human capital/creative capital: one set which looks at the current and future skills, needs and demands of the workforce and the wider economy; and one which looks at the outcomes of arts education. (p. 6)
As Oakley (2007, p. 6) remarks, however, ‘there is very little longitudinal research in this area in general, and none that tracks cohorts of children through formal education and into the workforce’.

### 6.5.3 Knowledgeable and creative labour – where and how do they work?

Workforce analysis across Western economies identified an increase in the late 1990s of what has become termed ‘portfolio workers’ who build their careers around applying and developing their skills by working on a variety of projects and in places of employment which in turn enables them to increase as well as diversify their portfolio of work related activity. ‘Instead of selling their services to one employer for a lifetime, workers sell their services to multiple employers over a lifetime or even all at once’ (Henton and Walesh 1998, p. 9).

In 1976, Hall (cited in Bridgstock 2005, pp. 44-48) described this as the protean career:

> A process which the person, not the organisation, is managing the protean person’s own personal career choices and search for self-fulfilment are the unifying or integrative elements in his or her life. (Hall 1998, p. 201)

The protean may have a portfolio of multiple simultaneous or overlapping employment arrangements requiring them to draw on a variety of their generic and transferable skills and perform a number of different roles (Handy, 1994; Mallon, 1999, cited in Bridgstock 2005, p. 42).

Similarly Steven Tepper (2002) observes that many who work in the creative industries have ‘multi-track portfolio careers’, i.e. artists who also teach, or craftspeople who produce works for exhibition, produce limited run production ranges, undertake public art commissions and design for manufacture. In general, those who work in the creative sectors have a diverse portfolio of skills that they apply both within and outside of the creative industries.

Interestingly, research by Harland et al ARC Centre of Excellence for Creative Industries and Innovation and Australia Council for the Arts (2007). *Educating for the creative workforce: Rethinking arts and education*, ARC Centre of Excellence for Creative Industries and Innovation, showed differences in how pupils and teachers considered the means, sites of application, and value of transference of arts and creative skills in the workplace. ‘Pupils focused on the transfer of specific arts skills into employment (as actors, musicians or artists) while teachers and indeed employers focused on the transfer of skills that were said to enhance employability – such as communications skills or confidence’.
Similarly CURDS (Centre for Urban and Regional Studies 2001, p. 16)\(^{40}\) state:

*Patterns of operation in the creative industries have led to the dominance of patterns of portfolio working for a substantial portion of workers in the content origination component of the creative industries. Thus creative workers might work on a number of different projects, sequentially or simultaneously, within either the same nominal organisation/client or working across a range of organisations/clients.* (p. 16)

O’Connor (1999) observes that the creative sector is ‘flexible, micro, highly networked, creative, and dynamic’, with its ‘creative producers having hybrid skills’; they are ‘structure gazers’....They don’t have fixed careers but build reflexive portfolios. Most significantly, creative businesses have a mix of cognitive and symbolic skills (business and creativity)...’(O’Connor 1999, p. 9). Therefore, notions of life-long learning and mechanisms through which tacit knowledge can be exchanged are vital to the development of a region’s creative capital.

Benhamou (2003) suggests that there are two distinct labour markets in the arts and cultural sector: ‘one for superstars, and the other for all the more or less starving artists’ (p. 71). He highlights the ‘risky’ nature of a career in the arts and suggests that this in itself could lead a rational individual to choose other careers. Bridgstock (2005) notes that economists such as Rengers, (2000) and Menger (2001) are often perplexed and intrigued by the fact that arts labour markets continue to experience growth, despite persistently low and often declining rates of monetary compensation. Yet despite these observations academics such as Landry argue that creative individuals are amongst a city’s most valuable resources. Perhaps this is because artists will often create regardless of the monetary compensation they derive from their efforts.

### 6.6 Translating knowledge, cultural and creative assets into economic advantage

Drawing from human capital theory, Landry\(^{41}\) (2004) asserts that in order to translate cultural and creative assets into economic advantage, a city’s most valuable resource is its people. He has observed:

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\(^{40}\) The final report of the study ‘Culture Cluster Mapping and Analysis’ was undertaken by a team from the Centre for Urban and Regional Development Studies in collaboration with Comedia Consultants.

\(^{41}\) One of the first participants in the Adelaide Thinkers in Residence Program
Cultural resources are embodied in people’s skills and talents; and health. (2000, p. 60)

A region’s competitiveness is no longer solely determined by the exploitation of immobile physical resources like coal, timber and gold but rather its stock of ‘highly mobile brain power and creativity. (2004, p. 30)

Building his case for acknowledging the critical role of the creative individual in urban regeneration and economic development, Landry draws on the academic theories focusing on the ‘knowledge economy’. He discusses the types of knowledge of most value in regions seeking to revitalise their cities and economies. He suggests that the knowledge required is not solely derived from discipline-based formal education, but accumulated through a community’s understanding about where they live and how it is changing.

Landry’s (2000) ‘learning city’ concept argues that the ‘city of the future … needs to become a learning city’ a city which develops by learning from its experiences and those of others’ (p. 267), arguing that this reflexivity enables more strategic and rapid solutions to the socio-economic problems cities and regions face. He summarises his argument by stating:

Only if learning is placed at the centre of a city’s daily experience can individuals continue to develop their skills and capacities… creativity and leadership need to be treated as a renewable, developable resource. (p.267)

In 2002 the Department of The Premier and the Cabinet launched its Thinkers in Residence Program with the view to enliven and inform its ‘communities of knowledge’. They do this by inviting a number of academics, theorists and practitioners from other regions - ‘leading thinkers to live and work in Adelaide to assist in the strategic development and promotion of South Australia’. The basic format of the residency program invites ‘Thinkers’ to undertake residencies of 2 - 6 months, in which they assist South Australia to build on its climate of creativity, innovation and excellence. The implicit expectation is that Thinkers will provide the State with strategies for future development in the arts and sciences, social policy, environmental sustainability and economic development’ Adelaide Thinkers in Residence. (2007). ‘About the program’. Retrieved 12 March 2007, from http://www.thinkers.sa.gov.au/about.html.

This line of discussion and argument focusing on the role of knowledge and skills as a pivotal resource for a city’s development was presented in some of his earlier writing with co-author Franco Bianchini in which they observe that cities are made up of a collection of broadly defined cultural resources which he describes as:

*The skills and creativity of local people, the concrete manifestations of people’s work (buildings, manufactured products, artefacts) and more intangible, yet significant qualities such as social milieu, people’s memory and the reputation of the place. These three types of cultural resources can be exploited in different ways and require different kinds of intervention.* (Landry and Bianchini 1994, p. 16)

The cultural resource base that Landry (2000) identifies is diverse and incorporates individuals and organisations contributing institutional, instrumental and intrinsic value with contributions ranging from amateur cultural activities, festivals, food and cooking, leisure activities, clothing and sub-cultures to historical, artistic and architectural artefacts, the performing and visual arts and the ‘newer cultural industries’ (p. 9). Landry (2000) draws particular attention to what he terms the ‘cultural industries’ as being ‘hot beds of creativity’ and significant industries in their own right whose social and educational impact foster the development of a city’s social capital.

### 6.6.1 From developing human capital to conceptualising a creative class

Gollmitzer and Murray (2008, p. 6) state that ‘that the individual artists, entrepreneur, or company is central to effective policy in guiding the creative economy’. They observe that most policy makers conceptualise the creative economy ‘as if it were thing in itself’ detached from the human beings who produce the products for sale and consumption.

To counter this and the long held assumption that the arts, cultural and creative activity sit on the economic periphery, they argue that the notion of the creative economy is embedded in the ‘actual, everyday world of life and work’. They understand, however, such an approach would necessitate changes to the creative industry / economy model that is defined through sectors and categories of products and services to one of a ‘creative ecology’ [their italics] which looks at those who ‘make’ these products and services: the creative labour force (ibid 2008, p. 8). To create and maintain a healthy and balanced creative ecology it is necessary therefore to afford equal attention to all forms of value contributed by the creative industries.
Economic geographer Richard Florida has drawn from wide ranging academic fields, including his own work on regional economic development, to identify the factors that make some cities and regions grow and prosper while others decline. In 2004 Florida was invited to speak in Adelaide by CEDA (Committee for Economic Development Australia), and whilst in Adelaide he also met with policy makers from the Department of Premier and Cabinet, in particular the team responsible for the consultation and writing of the South Australian Strategic Plan.

At the time of his visit Florida was particularly interested in exploring the long held regional economic development strategy that aspires to attract large businesses which in turn create local jobs and stimulate the economy. Just as in the Middle Ages, these strategies are often instrumentalised by providing capital incentives for individuals and/or businesses to locate in a region, assuming that they will stimulate regional prosperity by their continued demand for labour and the contribution to gross state product.

Florida observed that this strategy was not working in many regions, either due to the fact that, once established, many companies shifted their production base offshore; or chose instead to locate where there was a pool of skilled labour rather than where they were offered financial incentives, such as venture capital or subsidised infrastructure. Underlying this, he noted, was the fact that the ways people live and work have fundamentally changed. A change in workforce demand, including the types of skills, industry dimensions and employment models has also been recognised by other academics and commentators since the 1980s. Numerous academics have observed that the decisions made about where people chose to work and live have gone beyond quality of life amenities towards interests and lifestyle choices.

Florida (2003) refers to Reich, Drucker, and Castells in his discussion of the changes in language used to describe the drivers of the New Economy – the ‘information economy’ or the ‘knowledge economy’. He points to human creativity as the power behind economic development and makes the following points:

*Creativity has come to be the most highly prized commodity in our economy.* (p. 5)

*...It’s [creativity] not something you can keep in a box and trot out at work. You can’t have high tech innovation without art and music. All forms of creativity feed of each other.* (p. 191)
In developing his ideas, Florida has drawn much inspiration from the work of Jane Jacobs and Charles Leadbetter. He notes Jacobs’s (1963) observation that ‘the most successful places are multidimensional and diverse – they don’t just cater for to a single industry or a single demographic group; they are full of stimulation and creativity interplay’ (Florida 2003, p. 7). Charles Leadbetter (2004, p. 15) suggests that the presence of a ‘vibrant cultural cluster’ in a city creates a sense of excitement that attracts other industries and jobs. These arguments and observations led Florida (2003) to conclude that:

* Rather than being driven exclusively by companies, economic growth was occurring in places that were tolerant, diverse and open to creativity because these were places where creative people of all types wanted to live. (p. xvi)*

Florida’s observations of the changing nature of labour markets and the human capital that forms them informed his conceptualisations and the theories offered in his book *The Rise of the Creative Class* (2003). Florida asserts that his creative class theory does an ‘even better job’ than the social capital theory of Robert Putnam (2000) and the human capital theory of academics such as Lucas (1988) and Glaeser (1998) in explaining why knowledge workers, or as Florida refers to them, the ‘creative class’, are more particular about the cities in which they choose to live. Quality of place is a core decision-making criterion; therefore Florida argues they are more likely to settle in cities that are recognised for their tolerant environments and diverse populations, in preference to cities that merely offer the highest paying jobs.

In discussing the structure of the ‘creative class’ Florida focuses on an occupational rather than sectoral definition. He argues that the creative class comprises two elements: the *super creative core* including scientists and engineers, university professors, poets and novelists, artists, entertainers, actors, designers and architects, as well as the *thought leadership* of modern society: non fiction writers, editors, cultural figures, think tank researchers, analysts and other opinion makers (Florida 2003, p. 69).

Beyond the core group, Florida suggests there are the ‘creative professionals’ who work in areas such as accounting, the high tech sectors, legal and health care professionals and business management, who all, he argues, utilise creative problem solving in their work.
The basic argument in Florida’s creative class theory is that creativity is the fundamental source of economic growth.

Florida’s theory extends beyond the notion that creative individuals drive economic growth, and includes a number of additional factors that he considers contribute to and power regional economic growth. He states:

*The Creative Economy is drawing the spheres of innovation (technical creativity), business (economic creativity) and culture (artistic and cultural creativity) into one another, in more intimate and more powerful combinations than ever.* (2003, p. 201)

Furthermore, Florida argues:

*The best route to continued prosperity is by investing in our stock of creativity in all its forms, across the board. This entails more than just pumping R&D spending or improving education….It requires increasing investments in the multidimensional and varied forms of creativity – arts, music, culture, design and related fields – because all are linked and flourish together.* (Florida 2003, p. 320)

Florida’s argument can be illustrated as in Figure 6.7 below, where each sphere of creative capacity and intent is of equal size and therefore of equal value in its contribution to the regional sphere of economic activity.

![Figure 6.7](image-url)  
*Culture, business and innovation combining to afford benefit to regional economies (Andrew 2011)*
**Finding a region’s creative capital.** Richard Florida has developed and promoted an indicator of a region’s overall current standing in the creative economy and as a barometer of a region’s longer run economic potential based on his three T’s theory of economic development outlined in *The Rise of the Creative Class* (2003). He states:

> Regional economic growth is powered by creative people who prefer places that are diverse, tolerant and open to new ideas and suggests that the ‘most successful places’ are the ones that combine all ‘three T’s’ tolerance, talent and technology. (2003, p 249)

The following is an excerpt from a table included as an appendix in the paper Florida wrote with Irene Tinagli – *Europe in the Creative Age* (2004). It clearly defines the three main indices of talent, technology and tolerance, and their sub-indices (Table 6.1). Measures against these indicators are sourced from a range of data sets depending on those available within the region being studied.

**Table 6.1 Florida and Tinagli’s (2004) three main indices, sub-indices and descriptors illustrating their conceptualisation of the creative class**

<table>
<thead>
<tr>
<th>Index</th>
<th>Sub-Indexes</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Talent</td>
<td>Creative Class</td>
<td>Employed in creative occupations as a percentage of total employment</td>
</tr>
<tr>
<td></td>
<td>Human Capital</td>
<td>Percentage of population 25-64 with a Bachelor degree or above</td>
</tr>
<tr>
<td></td>
<td>Scientific talent</td>
<td>Number of researchers in scientific disciplines per thousand workforce</td>
</tr>
<tr>
<td>Technology</td>
<td>Innovation Index</td>
<td>Patent applications to the Patent office per million population</td>
</tr>
<tr>
<td></td>
<td>Technology Innovation Index</td>
<td>High-Tech Patents per million population</td>
</tr>
<tr>
<td></td>
<td>R&amp;D index</td>
<td>R&amp;D expenditure as a percentage of GDP</td>
</tr>
<tr>
<td>Tolerance</td>
<td>Attitudes index</td>
<td>Percentage of population that express tolerant attitudes toward minorities</td>
</tr>
<tr>
<td></td>
<td>Values index</td>
<td>Degree to which a country is based on traditional values versus more rational/secular values</td>
</tr>
<tr>
<td></td>
<td>Self expression Index</td>
<td>Degree to which a country recognises and accepts self expression values.</td>
</tr>
</tbody>
</table>
Since the initial wave of interest in Florida’s work, there has been growing recognition among academics and policy makers alike that Florida’s indices do not adequately reflect and measure the multidimensionality of the creative sector nor do they take account of regional scale, politics, policies, assets and economic environment as key variables associated with the development of creative economies (Gibson & Klocker 2004).

6.6.1 The importance of people, place and social capital in a creative and successful economy.

In recent years, innovative commercial businesses, non-profit institutions and independent artists all have become recognised as necessary ingredients in a successful region’s innovation ‘habitat’ (NGA Centre for Best Practice 2002, p. 2).

For more than a decade economic geographers have been observing and debating the impact of new regionalism. Cortright (2001), in his paper summarising the arguments of the new/endogenous growth theorists, points to not only the importance and role of new knowledge creation in driving economic growth, but also its mechanics, its geography and the critical role played by culture and institutions in fostering economic growth. Endogenous growth theorists argue that it is not only technological development and the increasing commodification of ideas and knowledge over the last decades that have changed the dynamics of many economies, but that history, institutions, and geography play a critical role in a region’s ability to develop and grow its economy.

Historians, political scientists, anthropologists, economists, sociologists, and policy makers have all studied the role of relationships between individuals, organisations and groups in a society’s economic development, success and sustainability. Granovetter (1973) argues that all economic action is inherently enmeshed in social relations and that all forms of exchange are inherently embedded in social relationships. Embeddedness he posited could take several distinct forms: social ties, cultural practices and political contexts (cited in Woolcock 1998, p. 161).

In the 1980s the area of research that explored the elements and processes of producing and maintaining collective assets became known as social capital theory. Social capital has been examined from multiple perspectives. Arguably the most noted academics for their
work on social capital theory are Bourdieu, Coleman, and Putnam, each of whom held differing theoretical standpoints, but whose work viewed social capital from a macro-level perspective and searched for its impact on the well-being of regions or societies.

Perhaps most influential in an Australian and South Australian policy context is the work of Putnam et al (1993) in seeking to understand the factors contributing to differences in economic success between the northern and southern regions of Italy and the relationship of the levels of civic engagement to regional economic success. The results of his work on social capital theory have been widely adopted across numerous academic and policy fields.

Putnam’s (1993) central thesis is that a well functioning regional economy, together with a high level of political integration, are the result of that region’s capacity to successfully amass social capital. Putnam considered social capital to have three components:

- moral obligations and norms
- social values, particularly trust
- social networks, especially the membership of voluntary associations (Siisiäinen 2000).

According to Putnam (1995), the tangible outcome of social capital is manifest in its capacity to ‘facilitate coordination and cooperation for mutual benefit’ (p. 2). He states:

> Working together is easier in a community blessed with a substantial stock of social capital. (Putnam 1993, pp. 35 and 36, cited Portes 1998, p. 19)

Woolcock (1998, p. 157) suggests that the multiple theoretical and conceptual perspectives contributing to the study of social capital’s role in economic development has left unresolved whether social capital is the infrastructure or the content of social relations, the medium, as it were, or the message.

If one considers the Oslo Manual’s diagram in Figure 6.6 indicating the flow of knowledge and engagement between differing knowledge bases and forms of innovation processes, one could conclude that on a sustained basis this exchange will build social capital through the development of multi and interdisciplinary teams sharing knowledge and developing new methodologies, languages and outcomes. The development of these new collectively developed methodologies and languages should therefore enable
multidisciplinary and trans-disciplinary teams to collaborate and invest in partnerships developing goods, services and products that address policy problems stemming from multiple policy domains.

Oughton, Landabaso and Morgan (2002) observe that a critical enabling factor for coordination and cooperation which should be considered to be a valuable mechanism for fostering endogenous economic development is:

The nature of the regional governance system and the wider institutional framework [that] shapes the effectiveness and the efficiency of regional knowledge building/transfer amongst the different integrating parts of the system, including individual firms, sectoral value chain clusters, networks, business service providers, technology centres, R&D centres, university departments, technology transfer centres and development agencies. (p. 9)

Australian educator and researcher in community development Jim Caveye asks in Online Opinion (Dec. 2004) – Social Capital: Do We Understand It? and states that ‘social capital interacts with other forms of capital’ (www.onlineopinion.com.au, accessed 27 October 2009) and suggests that in order to gain a better understanding of social capital’s contribution to any given community or group it should be considered at four levels:

- individual
- group
- community and or institutional level
- state or national level – which is the cumulative total of networks, norms and trust across regions, states or even nations (OnlineOpinion, online)

Porter (2002) proposes that the enduring competitive advantage in a global economy is often heavily local, arising from a concentration of highly specialised skills and knowledge, institutions, related businesses and customers in a particular region. This idea accords with economic geographers’ research and theoretical perspective on unique, location-specific developments as shapers of ideas on regional innovation systems, clusters and industrial districts with an emphasis on the institutional, cognitive and cultural dimensions of regional development (Lagendijk 1997, p. 3). To this end the concept of regional innovation systems gained momentum in the federal and state economic development policy discourse and strategies.
Regional innovation systems

In 1996 the OECD also offered the opinion that:

The configuration of national (regional) innovation systems, which consists of the flows and relationships among industry, government and academia in the development of science and technology, is an important economic determinant.

(OECD 1996, p. 7)

The evolution of the notion of regional innovation systems, therefore, has a long history. It traces back to Schumpeter in 1911, in fact, with his work on innovation.

The concept came to the fore once again in South Australia in the late 1990s when Henton Walesh (2001) from the consultancy firm, Collaborative Economics, and Michael Porter (2002) visited and influenced policy makers in South Australia and other Australian regions with their work on industry clusters and networks as part of these systems.

Henton, Melville and Walesh (1997) in their book Grassroots Leaders for a New Economy: How Civic Entrepreneurs are Building Prosperous Communities argue that the regions that are most able to succeed in the New Economy practice ‘collaborative advantage’ and highlight the role of civic entrepreneurs whom they regard as catalysts for collaboration between community, business and government. That is, they enjoy tight relationships at the intersection of their business, government, education, and community sectors, which provide regional resiliency and a unique ability to set and achieve longer–term development goals.

Subsequent to this work, Collaborative Economics (1997) suggests that economic innovation requires social innovation, and that assets, networks, culture and the community quality of life are cornerstones for regional innovation. Aydalot (1988) observes that research on innovative regions tends to take place through the lens of Silicon Valley, a well known and very successful region, the experiences of which offer an insight into the important historical, social, cultural, economic and political factors shaping domestic patterns of economic and employment development in an area. These elements are critical in the context of regional development.

Glaeser, Henderson et al (2000, p. 103) discuss the empirical evidence that supports arguments that spatial proximity, including urban density, facilitates non-market
interactions that speed up knowledge transfer, provide greater transaction efficiency and stimulate innovation. They note a relationship between the numbers of patent citations and distance, where patent citations decline with physical distance between potential actors in knowledge development and transfer.

6.7.1 Industry clusters

In Australian policy circles Michael Porter’s work, especially from 1990s, has been the most influential within regional economic development policy circles as a strategy to foster innovation and endogenous economic growth. In South Australian this was born out in Business Vision 2010’s cluster development program.

Porter (1998) describes a cluster as ‘a geographically proximate group of interconnected companies and associated institutions in a particular filed, linked by commonalities and complementarities’ (Porter 1998, cited in Centre for Urban and Regional Studies 2001, p. 9). The OECD’s definition is more specific, stating a cluster is a:

Network of production of strongly interdependent firms (including specialized suppliers), knowledge producing agents (universities, research institutes, engineering companies), bridging institutions (brokers, consultants) and customers, linked to each other in a value adding production chain. (OECD 1999, cited, Centre for Urban and Regional Studies 2001, p. 9)

The Centre for Urban and Regional Development Studies (CURDS) report Culture and Cluster Mapping and Analysis prepared for One North East in Newcastle Upon Tyne UK, (2001) differentiates between a cluster and a sector, observing that ‘a sector is defined by similarity [or typology] whilst a cluster is defined by interaction’ (p. 9).

Following Porter’s popularly accepted work on industrial clusters, Lagendijk (1997, p. 19) suggests that ‘regional economic success is increasingly attributed to the performance of particular networks and institutional configurations, with an emphasis on idiosyncratic forms of knowledge, interaction and strategic power.

42 In her book World Class: Thriving Locally in the Global Economy (1997), Kanter argues ‘that regions that succeed in the global economy need not only strong foundations (innovativeness, skills and knowledge) but also strong networks. According to Kanter (1997), industry clusters ’provide opportunities of particular benefit to young companies as a result of informal exchanges of people and ideas, as well as more formal alliances’ (p. 110).
Lagendijk’s (1997) work in this area is supported by Cooke (1995), Enright (1994), Morgan (1996) and Rosenfield (1997) (cited in Lagendijk 1997), who have also been influential in relating the clusters to the wider business environment, and acknowledging the important role of industry associations, research centres and other ‘binding’ organisations. They suggest that it is via these communication hubs that new patterns of collaboration and networking develop and act as catalysts for innovation through sharing of tacit knowledge.

Policymakers searching for strategies to promote economic and employment growth in the face of trade liberalisation turn to regions like the North East of Italy, the M4 Corridor in the UK and Route 128 on the outskirts of Baltimore in the USA, for inspiration on how they might foster regional industry clusters. Because these regions are so diverse, both geographically and economically, great caution must be exercised in identifying the strategic implications for regions in the Australian context. There are, however, characteristics common to the success and recognition of each of these regions, including a commitment to investing in research and development, fostering creativity and innovation, and in most instances a community that is geographically close and exhibits a high level of social capital.

**Influencing the creation of a culture of knowledge sharing and creative cooperation.**

Concurring with the arguments of endogenous growth theorists and the importance of knowledge within the economy, Howells (1996, cited in Lagendijk 1997) describes an ideal regional innovation system as an area for localised learning, which derives specific advantages from locally rooted forms (of mostly) tacit knowledge (p. 22).

As Amidon and Macnamara (cited in Maskell 2000, p. 113) have recognised, sustaining the level of communication necessary to foster regional innovation and collaboration within clusters and systems requires leadership and a commitment by stakeholders to engage in the exchange of knowledge on an ongoing basis. Howells (1996, cited in Lagendijk 1997, p. 22) argues that what counts is how (national) educational and regulatory environments are delivered ‘on the ground’, which depends primarily on local institutional capacity.

Cooke and Memedovic (2003) observe that ‘regions which are performing well economically have enabled the development of a regional innovation system ‘which knits
together a mix of regional innovation policies and institutions with knowledge flows, and the systems on which they rely’ (p.4). They observe that successful systems tend to display a number of common characteristics such as:

- intensive cooperation among firms
- high quality workforces
- flexible work structures
- dense infrastructures of supporting institutions and organisations
- innovative regional cultures
- activist regional governments.

Strengthening this argument, Autio (1998) suggests that effective regional innovation systems:

_Can be seen as essentially social systems, composed of interacting sub-systems (…) the interactions within and between organisations and sub-systems generate the knowledge flows and drive the evolution of the regional innovation systems. (cited in Oughton et al. 2002, p. 97)_

Thus, a high level of trust between actors is critical if this interaction is to occur on a sustained and positive basis. In his work on social capital and trust, Glaeser et al (2000) defines trust as ‘the commitment of resources to an activity where the outcome depends upon the cooperative behaviour of others’ (p.3). Similarly Charles Leadbetter (1999) states:

_Culture - not science, technology or even economics – will determine how deeply embedded the New Economy becomes in our daily lives…. Economic and scientific modernisation succeeds when it is accompanied by cultural creativity that revolutionises the way we see the world. (p. 228)_

6.7.2 Thriving regional economies – a creative union of technology, arts/culture, and civics

Policy makers and politicians often look to other regions for inspiration in their efforts to invigorate their economies. South Australia is no exception and has absorbed the discourse stemming from economic geographers, notably Charles Landry who’s ‘Thinkers Residency’ occurred during the consultation phase of the _South Australian Strategic Plan_.

Contemporary of Landry, Peter Hall (1998), renowned for his examination of cities’ economic, demographic, cultural, and managerial attributes and dimensions, believes ‘that innovative cities [regions] of the coming age will develop a creative union of technology, arts/culture, and civics’ (cited in Collaborative Economics 2001, p. 3)

Also considering new ways of looking at the world is Charles Landry (2004) in his paper Imagination and Regeneration: Cultural Policy and the Future of Cities. Working with Peter Hall, Landry observed that the most successful cities were those that responded to industrial restructuring by focusing on developing regional specialisations that differentiated them from other cities, such as a focus on waste systems, solar power, music or design. Critical to the development of specialist clusters, he observes, is the need for high levels of social capital and the associated trust and support that emerges between companies, individuals and the community.

Social capital, Landry (2000) asserts, includes people’s networks and connections, their membership of groups, their relationships of trust that facilitate cooperation, reduce transaction costs and provide informal safety nets. In relation to this, he discusses a number of tools that can facilitate shifting often rigid patterns of thinking in order to facilitate novel connections and gain insight into a city or region’s preferred future. He refers to this as urban visioning. Urban visioning can be facilitated through a variety of techniques applied at numerous levels, including the individual, the community level, the city level, and at a municipal level. It can also be applied through partnership and business-led models. Related to this, Landry suggests that ‘urban visioning involves scaling up the idea of the business plan from the level of the firm to the level of the urban area or city’ (2000, p. 186).

**Providing the right conditions for collaboration.** He points out, however, that the end vision is not the most useful outcome of the process but rather provides the right conditions for networking, and allowing diverse groups to come together and interact creates a culture of collaboration and uncovers formerly hidden leaders or project champions. Facilitating community participation in the process of developing a region’s vision for the future is felt to engender grass roots support for change and commitment to action at all levels of the community.
Landry (2005) argues that the dual effects of providing the right conditions for collaboration, as well as facilitating the setting and implementation of joint strategies for regional growth and sustainability, enhances economic efficiency by facilitating the development and sharing of knowledge and innovation. By ‘creating an innovative momentum in a community, a virtuous cycle of creativity can be generated’ (Landry 2005). Landry describes the qualities of an innovative environment as:

Taking measured risks, wide-spread leadership, a sense of going somewhere, having the strength to go beyond the political cycle, and crucially, being strategically principled and tactically flexible, as well as recognising the resources that come from a community’s history and talents. (p. 3)

Landry (2000) observes that most literature on innovation privileges technologically driven inventions rather than focusing on social, political or cultural innovations that could encourage us to change our lifestyles. While creation and innovation are legitimised in fields such as science or technology, there are few communities with a deliberate and self-conscious over-arching innovation strategy that forms part of a corporate ethos that embeds innovative thinking (p. 32). In his observations of cities that were successfully utilising their creative and cultural resources, he noted that creativity and innovation were seamlessly interwoven. He states:

Creativity is the pre-condition from which innovations develop…innovation is the realisation of a new idea in practice, usually developed through creative thinking. (p. 15)

Landry (2000) refers to the work of Kelly (1999) and his conceptualisation of the networked economy, one in which increasing returns are created and shared by the entire network. ‘Many agents, users and competitors together create the network’s value… and the value of the gains resides in the greater web of relationships’ (Kelly 1999, cited in Landry 2004, pp. 33, 34).

Landry observes that the way a city [or region] is governed and regulated has a significant impact on a city’s ability to tolerate risk, support collaboration, and translate creativity into economic benefit. In particular, he notes the changing role identified for culture and creativity within a community, from its ability to provide a civilising influence and social good to its more recent recognition as a utility to stimulate economic benefit.
**Landry’s argument for policy innovation.** Considering the importance of a region’s culture as either a supporting or inhibiting factor in regional economic success, Landry (2000) observes that the evolution in the role ascribed to creativity and culture in the economy has infrequently been matched by the evolution of policy and policy instruments aimed at developing a city’s culture and creative resources. This observation is summarised in the following statement:

> It gradually became clear that our cultural strategies were being tasked with solving far more complex problems from the economic future of the city to its urban identity or the promotion of liveliness to recasting its employment profile. Success or failure related less to tangible assets and more to how cities approach their problems: once thriving places like Adelaide could go down and basket cases like Huddersfield could go up. (Landry 2000, p. 19)

Landry (2000) identifies the most inhibiting factor for cities wishing to develop policies that foster the development of creative cities is ‘bureaucratic proceduralism’ which he posits ‘prevents the identification and exploitation of endogenous creative potential’ (Landry 2000, p. 46). The challenge for a city or region wishing to change this mindset and way of working is to reconceptualise how a community views its city, and the reassessment of the concepts and ideas that inform action. The conceptual and academic framework he adopts to support this is a systems theory approach to understanding the multiple stakeholders and influences on a city’s development and sustainability.

Landry (2000) proposes that a city be conceptualised as an organism rather than a machine thus shifting the policy focus from physical infrastructure towards urban dynamics. He states that consideration of the policy environment of a city or region requires:

> Reviewing existing policies in known fields,… and considering the efficacy of existing [policy] models and ways of addressing problems, …[including] the policy implementation and the mechanisms to expedite policy. (p. 54)

Landry (2000) observes that a city’s ‘sustainable success depends on developing the thinking of policy-makers and urban agents’ (p.4). He summaries these observations by arguing that a new way of thinking needs to happen within the policy domain at three levels: the **conceptual**, the **discipline based** and **implementation levels** (2004, p. 53).
6.7.3 Embedding the intrinsic, institutional and instrumental value derived from creative producers into a city psyche

Landry’s conceptualisation of a creative city places cultural resources at the centre of policy making which enables the development of interactive and synergistic relationships between the cultural resources and the public policy domains, such as economic development, housing, health, education, social services or workforce planning. This offers a new way of viewing the impact of policy from sectorally specific interventions to influencing factors within and on the entire system. Landry (2000) states:

*The key actors in those places which have exhibited growth share certain qualities: open mindedness and a willingness to take risks a clear focus on long term aims with an understanding of strategy; a capacity to work with local distinctiveness and to find a strength in apparent weakness. (p.4)*

Informed by the work of Leadbetter and Goss (1998), Landry (2000) discusses the role of the often undervalued capacity for civic creativity to offer ‘imaginative problem-solving applied to public good objectives’ (p.190). Landry (2000) stresses that being creative in a civic sense needs to be legitimised as a valid, praiseworthy activity. He asserts that being creative in a civic sense involves qualities well beyond those often acknowledged as innovative management practices. ‘Civic creativity has unique qualities centred on a passion and vision for the civic’ (Landry 2000, p. 190).

*It encompasses: a capacity to listen; and imagination and antennae that can judge the political mood; being a political animal in the positive sense and a desire to nurture and assemble political forces; and ability to diffuse tensions creatively and to come up with ethical compromises; the skill to carry people along and to inspire disparate groups of people to do something that transcends their self interest by persuading them that a course of actions better for every one. (2000, p. 191)*

**Landry’s urban tool kit.** Landry (2000) synthesises his observations, conceptual and measurement frameworks in what he refers to as an ‘urban toolkit’. In numerous cities around the world he proposes the application of his prescription for cities and regions to stimulate the creative capacity of its leaders and community to envision and enact strategies that will stimulate their growth and sustainability in social, economic, and environmental arenas. In setting the context for developing his ‘urban toolkit’, Landry (2000) makes the observation that there has been a significant shift in the way cities function and the problems that need addressing in order for them to be sustainable and grow.
The purpose of Landry’s toolkit is to provide a framework from which:

*To rethink how problems can be addressed, by re-examining the underlying philosophies, principles and assumptions behind decision making and to challenge the ways urban problems and solutions are framed.* (2000, p. 165)

He argues that continuing to rely on the old intellectual apparatus and policy responses to address issues faced by contemporary cities will no longer suffice, and identifies several preconditions for a city to be ‘truly creative’, those being:

- personal qualities
- will and leadership
- human diversity and access to varied talent
- organisational culture
- local identity
- urban spaces and facilities
- networking dynamics.

Landry (2000) suggests indicators for each of these factors be developed to enable measurement of gaps, opportunities, and progress towards attaining the creative city mantle. As he states:

*The assumptions running throughout [his] book include the idea that creating ladders of opportunity to participate actively in economic, political and social life is an intrinsic good; that partnerships and linkages between diverse organisational types – public, private, voluntary – create interesting synergies; that culture itself, simplistically defined as ‘who we are and what we believe in’, is of overriding importance in creating unique, distinctive urban environments.* (p. 203)

South Australia, and more specifically, Adelaide was one of the cities to stimulate the creative capacity of its leaders and community to envision and enact strategies that would stimulate growth and sustainability in social, economic, and environmental arenas.

**Joining the threads of discourse.** This chapter has provided a snapshot of the plethora of academic and policy research and debate that has considered what constitutes creative knowledge, the individuals within which it resides, and the influence its application has in the New Economy. The chapter includes, therefore, the discussion of key policy documents and reports. This discourse has focused on the predominantly instrumental
role creativity has been ascribed in regional innovation systems and economic development. This has fundamentally changed the conceptual balance of Holden’s (2006) equilateral triangulation of creative and cultural values, where instrumental value of creativity sits at the primary apex of what has become an isosceles triangle.

The following case study examines a number of South Australian policy documents informing the *South Australian Strategic Plan* and demonstrates how the proceeding academic, advocacy and policy discourse influenced the conceptualisation and articulation of the role creativity plays in South Australia’s economic development planning as the state competes in the New Economy – an economy no longer reliant on the state’s agricultural and manufacturing sectors, but rather one that needs to capitalise on the translation of its knowledge pool into intellectual property, goods and services that can compete in the global marketplace.
Development plans for South Australia

Case study 2: South Australia’s economic development policy ensemble where creativity is cast to play an instrumental role in the state’s future economic success

The following case study seeks to disentangle the terminological and policy clutter that has developed in South Australian policy circles because of the convergence of theoretical, policy and advocacy discourses considering creativity’s role within regional economic development.

In addition to the creative industries in South Australia report discussed in Chapter 2, the following case study examines a number of South Australian reports that have influenced the language, conceptualisation and values ascribed to creativity, the arts and cultural activity within the South Australian Strategic Plan.

In order to ensure that the most relevant documents were examined in this case study, key individuals were interviewed from South Australian state and local government agencies. The Department of the Premier and Cabinet, Arts SA, the Department of Further Education, Employment, Science and Technology, the Department of Trade and Economic Development, and the Adelaide City Council assisted in informing the collection of the policy documents and reports that provided the artefacts for examination in the case study.

The 2004 SASP nominates the following documents and programs as able to provide greater detail about the arguments and actions required to achieve the Fostering Creativity targets:

- Adelaide Thinkers in Residence Program
- ARTSmart: a strategy for arts education in South Australian schools and preschools 2003-2006
- Shaping the Future STI10 – A Ten Year Vision for Science, Technology and Innovation in South Australia, March 2004 (The Premiers Science and Research Council)
- State Budget
CS2.1 South Australia’s articulation of its education agenda for competing in the knowledge economy

The Department of Education and Children’s Services (DECS) *Statement of Directions* 2005–10 is described as the blueprint for action for all who work within DECS and articulates key priorities and directions for education and care in South Australia. Drawing from human capital discourse and more specifically the discourse surrounding education through the arts; and education in the arts (Bamford 2006), within the goals, targets and objectives of this document there are only three specific references made to the arts and creativity as an important part of:

> Public education ...to support all children and students to gain the knowledge, skills and attributes necessary to enable them to participate fully as confident and competent citizens in all aspects of society, irrespective of cultural and socio-economic backgrounds, dominant language or health. (DECS 2005)

To address this the arts sector and art educators called for the development and mainstreaming of curricula that embeds ‘creativity’ (as a cognitive skill as well as a crafting skill) across the curricula rather than just being considered as ‘arts education’. This statement perhaps signalled the continued diminution of programs that fostered the participation in, and appreciation of, the intrinsic value of the arts and focused on the development and support of programs that sought to foster creative expression for its instrumental value.

I suggest this is evidenced by the Department for Education and Children’s Services (DECS) 2004 Strategic Plan’s targets:

- **Target 4.9** Improve learning outcomes in the arts and other curriculum areas that utilise enterprise education
- **Target 4.10** Improve the connections between educational institutions and industry to enhance creativity and innovation
- **Target 4.11** Increase the number of families in the Learning Together and school community arts and recreation programs
CS2.2 ArtSmart in South Australia

Reporting on Learning in the Arts, DECS highlights its achievements and contribution to the Fostering Creativity targets within the South Australian Strategic Plan as ArtSmart and Come Out. With a budget of $240,000 p/a\(^ {43}\), ArtSmart has worked in support of 14 schools and preschools to improve their arts curriculum, provide opportunities for the students and staff to work with professional artists and attend live performances. Come Out\(^ {44}\) is a biennial arts celebration that is designed to inspire and challenge the children and young people ages four to 18. It provides opportunities for children and young people to attend and participate in arts events, as well as to engage in creative activities both within and outside of their schooling environments.

ARTSmart was established in 2003 following concerted lobbying by the Arts Industry Council of South Australia. It is a strategy for arts education in South Australian schools and preschools. The ARTSmart initiative was jointly developed by representatives from DECS and ArtSA in consultation with arts educators across the State.

The ARTSmart strategy developed out of the belief that the arts are a valuable cultural resource underpinning our national identity. ...The main purpose for the strategy is to build strong and effective partnerships between schools and preschools, and the arts industry and arts practitioners, including performers, creators and administrators. It is through such partnerships that young people enrich their own understanding of practice in the arts, develop their intellectual and creative capacities across a broad range of cultural experiences and gain valuable insights into career opportunities offered within the arts industry\(^ {45}\).

Whilst ARTSmart is regarded by the government to be a success, its minimal funding allocation and implementation in only 14 of the hundreds of South Australian state

\(^{43}\) ($140,000 from DECS to provide support for coordination and management; and $100,000 from Arts SA to provide support for the employment of professional South Australian artists in ARTSsmart schools)

\(^{44}\) In 1974 the Youth Program Committee of the Adelaide Festival of Arts mounted a limited program of workshops and performances for young people as part of the festival. The program was called COME OUT. Encouraged by the success of the venture, the Committee put a case to the Board of Governors of the Adelaide Festival of Arts for the mounting of a separate arts festival for young people in the years between the main Festival. The case was accepted and in 1975 in the last week of the first school term and the first week of the May holidays, the Adelaide Festival of Arts presented COME OUT. (http://www.artssmart.sa.edu.au/pages/Networks/11185/?reFlag=1)

\(^{45}\) Analysis and research that informed the development of the goals, objectives and targets of this report, make strong reference to the report released six years before, the Adelaide Declaration of the National Goals for Schooling in the Twenty-First Century.
schools implies that it is a pilot project rather than a program to be embedded into the curricula. This suggests a ‘creative quick fix approach’ rather than a sustained investment in the development of the state’s creative capital. The Arts Industry Council SA (AIC) commented in 2005 that the ARTSmar program is largely invisible to the vast majority of arts educators in schools and to independent artists in South Australia due to the limited reach of the implementation strategies and funds applied to date. To this end AIC argued for an increase to the pool of funds available for suitably skilled artists to work with educators in South Australian schools would generate a wealth of benefits for independent makers, arts educators and young people (Williams 2005, p.13). Thus it appears that due to the limited intellectual and financial investment in the Artsmart program the intrinsic benefit that the arts and cultural activity can provide individuals and communities is not considered a priority within South Australia’s agenda for developing a knowledgeable and creative workforce.

As McCarthy et al (2004) note in their discussion of the effectiveness of many arts education interventions, programs may be only as long as a few days and their capacity to help develop positive learning habits or promote the development of significant skills is limited. They argue any process of change is cumulative and typically takes time and sustained involvement.

The 2004-2005 DECS’s Annual Report outlines the agency’s direction and initiatives aimed at fostering creativity and innovation one is the ArtSmart program and the other is by setting strategic directions in Science and Mathematics.

Clearly indicating a conceptual shift (some would argue bias) towards the instrumental benefits creativity contributes through innovation stimulated by creative scientists working with industry. The report states:

46 McCarthy et al (2004) discuss the consistency about the definition of a ‘program’, which can be as little as a few days or as much as several years. While public policy interventions may help develop positive learning habits, most research suggests that this is unlikely to be effected by only occasional interaction with cultural institutions. In their large-scale study of the claims for social and economic impacts of the arts, McCarthy et al (ibid) suggests that any process of change in individuals is cumulative and typically takes time and sustained involvement ARC Centre of Excellence for Creative Industries and Innovation and Australia Council for the Arts (2007). Educating for the creative workforce: Rethinking arts and education, ARC Centre of Excellence for Creative Industries and Innovation.
In our Statement of Directions 2005-2010 and South Australia’s Strategic Plan a target was set to improve the connections between DECS and industry to enhance creativity and innovation. (p. 34)

DECS outline their achievement in this regard as:

37 science and mathematics teachers gained experience in ten-day placements in industry and business settings through the Premier’s Industry Awards. This gave them the opportunity to see firsthand the applications of science and mathematics in the workplace. They were then able to develop resources to make classroom teaching more up-to-date and relevant, and to better promote career opportunities for their students.

*Induction and mentoring were emphasised for new science and maths teachers.*

*Career seminars for students were offered by the Department.*

*Action learning projects were conducted in schools to find new ways of making science and maths fun.*

**CS2.3 Developing South Australia’s knowledge pool of creative capital through work and skills formation strategies**

As was raised in Section 1 of this thesis, O’Connor (2005) stresses that if the employment potential of the creative industries is to be maximised, then education, training, business development advice and information are integral learning needs of the sector – but they have to be delivered in more flexible, non-linear ways for a hybrid creative sector and societies where a job for life is no longer the norm.

Not only is the primacy of mathematical and scientific knowledge evident in primary and secondary education in South Australia, this focus also flows into vocational and tertiary education policy for which the Department of Further Education, Employment, Science and Training (DFEEST) is responsible.

Primary responsibility for implementing strategies and making investments that would enable South Australia to develop and compete in the knowledge/information economy is the Department of Further Education, Employment, Science and Training (DFEEST). DFEEST’s remit is broad; including vocational education and training to supporting innovation within the science and information technology sectors.

DFEEST hosts two overlapping directorates that specifically focus policy and activities that aim to support and develop science and technology sectors. The Science and
Innovation, and Information Economy Directorates are charged with the delivery of the major South Australian STI initiatives the Science and innovation Unit and the Information Economy - ICT Unit.

Supporting the South Australian Strategic Plan’s clear commitment (which some would claim is bias) to the importance of the state’s science and technology sectors to the economy, the strategy document STI10 - Mapping the Ten Year Vision (2004) outlines South Australia’s (DFEEST’s) key aspirations, strategies and performance targets for the next ten years. Three strategies underpin the delivery of the STI10 Vision:

- building capability and infrastructure
- momentum through collaboration
- developing people and communities.

The document states:

The State Government is committed to delivering this future through an integrated Science, Technology and Innovation Vision – STI10. We want to generate great ideas and valued knowledge, grounded in innovative research. And we need to ensure that our efforts lead to:

- developing a strong state economy
- enhancing international competitiveness
- promoting business investment
- expanding new job opportunities
- sustaining the State’s natural resources
- creating a healthier, more inclusive and cohesive community.

As Robert Reich observes ‘information technology is the bank that circulates the coins ever more efficiently’ (Reich 2001, p. 53). DFEEST’s Information Economy (ICT) Unit seeks to do just that, by increasing industry and business use of ICT with a special focus on establishing State-wide broadband infrastructure, e-business capability and ICT industry support.

This focus on the IT and digital media sectors’ contribution to the development and commercialisation of new technologies appears to have obscured consideration of the other creative sectors that can and do contribute to, and stimulate scientific and technological innovations.
CS2.4 What is useful knowledge in South Australia?

Despite the multiple perspectives presented of what constitutes useful knowledge in the New Economy, conservative employment models and notions of enhancing employability by skills development of individuals in formal educational institutions persist. Brown et al. (2003, p. 110) argue that employability is primarily determined by the labour market rather than the capacities of individuals. They ask, ‘do the human capital assumptions on which employability policies are premised offer an adequate and balanced body of knowledge for policy framework and analysis?’ (ibid., p. 108).

Whilst governments continue to consider the most valuable foundation for economic growth to be the science and technology sectors, arguments for balancing investments in knowledge development across all disciplines and levels of the education and training spectrum will be hard fought.

Henton and Walesh (1998), influential in South Australian economic policy since the 1990s, observe ‘the knowledge worker in the New Economy takes her skills and intellectual capital to different projects much like the craftspeople from the Medieval period on have taken their knowledge and tools to different jobs’ (ibid., p. 9). Brown et al. (2003) note that the shift in the skills demand in the labour market has enabled young, knowledgeable workers to short-circuit organisational hierarchies and arrive in senior managerial positions in their 30s. This they argue has not only given this group of knowledgeable employees greater economic freedom and mobility, but has also limited the preparedness and level of investment employers are prepared to commit to recruitment and training of workers ‘because knowledge workers can own their knowledge and take it with them wherever they go’ (Drucker 1993, p. 7). This was a factor that medieval craft guilds sought to ameliorate through their apprenticeship system.

A more balanced curricula that acknowledges the importance of the role of HASS in the adoption and application of new products, regardless of their academic provenance, would encourage the development of more and different connections and combinations of creative individuals from all walks of life, bringing together knowledge and innovation from individuals, businesses and institutions. Combinations that are
successful, acknowledged and rewarded will, in turn, generate new ideas and new markets to benefit the state. This perspective is articulated through the South Australian Economic Development Board’s commentary on the needs of the state in terms of skills formation. Nevertheless, the idea of combining various creative skill sets from various state sectors failed to appear in the strategies and targets contained in the *South Australian Strategic Plan*. The Economic Development Board’s (EDB) *Framework for Economic Development in South Australia* (2003) is a precursor to the development of the South Australian Strategic Plan. At the same time that the EDB was developing its framework a number of South Australian government agencies were considering how to best address changes in the ‘world of work’ and skills formation. Education and training programs at all levels were increasingly being considered for their potential to influence and contribute to South Australia’s ‘workforce development’.

Clearly drawing from the New Economy theory discourse focusing on the importance of knowledge production and transfer to endogenous economic growth, the EDB states that education is a ‘key cultural value (2003, p. viii). However the following statement demonstrates a bias towards the technology based sectors as primary a focus in their economic development agenda.

*Initiatives for enhancing the mathematics and science capabilities of young South Australians and fostering a spirit of enterprise and creativity are critical to the State’s capacity to capitalise on the investments that will be made in our science and infrastructure base.* Economic Development Board 2003, p. 16

In November 2002 the Minister for Employment, Training and Further Education, Jane Lomax Smith released the terms for reference of the Skills for the Future Inquiry. As the Minister states, the inquiry was established in response to concerns raised by industry and community groups across South Australia about the health of the skills base. The Skills for the Future Inquiry was one of the most influential documents in South Australia at this time. The report stemming from the enquiry, sometimes referred to as the Schofield report, argues that policy and programs aimed at skills formation in South Australia need to extend the vision and policy context from that of the traditionally accepted and often supply driven education and training policy to one that seeks to re-
integrate skills formation policy into a wider policy context, including state development, industry policy, innovation policy, employment policy and social policy. Schofield calls for a reassessment of how South Australia seeks to develop and support its skills system, arguing for the development of a new language that will:

Capture and reflect new ideas, change mindsets, and transcend organisational boundaries’… the existing language… does not capture adequately the dynamics of skill in the contemporary world of work where the content of skill is changing and where the skills are developed formally and informally in multiple contexts through multiple pathways, physical and virtual throughout a working life. Nor…does it reflect the multiple contexts in which skills which are acquired are actually used.
(Schofield 2003, p. 20)

Mindful that the current skills system in South Australia did not adequately accommodate the changing requirements demanded of it in a dynamic labour market, and the seemingly intractable mindsets regarding the multiple contexts in which knowledge and skills are applied; the findings of the Skills for the Future Inquiry (Schofield 2003, pp. 8-9) indicated that at the time the workforce development system in South Australia was not in crisis; however, it noted evidence of skills imbalances and gaps, recruitment difficulties and skills shortages that would in the near future have major impacts on the growth and sustainability of employment levels in some industries.

South Australia’s Skills for the Future Inquiry. Like Bamford’s observation of the differences in discourse between ‘education in art’ and ‘education through art’; the workforce development, skills and training discourse also has its own distinct nomenclature. The Skills for the Future Inquiry: Final Report (Schofield 2003) chose the framework ‘workforce development as the over-arching concept to underpin the government’s strategy to lift the quantity and quality of skills in the South Australian labour market, to achieve greater prosperity for all’ (ibid, 2003, p. 7).

The Report argues against the continued use of the term the ‘skills agenda’, stating that the Inquiry and its subsequent report had adopted the use of the term ‘workforce development’ in that it recognises the links between skill and the way work is organised, and signals the need for a better balance between the acquisition of skills and their use at work. The inquiry defines workforce development thus:
Those activities which increase the capacity of individuals to participate effectively in the workforce throughout their whole working life and which increase the capacity of firms to adopt high-performance work practices that support their employees to develop the full range of their potential skills and value. (ibid. 2003, p. 21)

The inquiry and final report stated that its framework for workforce development was derived from the evidence on current local, national and global economic trends. Unlike most policy documents, the report for the Skills for the Future Inquiry (2003) acknowledges the academic and policy arguments and texts that have informed its perspectives and recommendations. Drawing evidence from this discourse and the case studies contained therein, the inquiry asserts it provides a focus for practical action addressing South Australia’s future skills and workforce needs.

The Skills for the Future Inquiry Report (2003) summarises changes to industry structures predominantly through globalisation, and changes to the industrial base of many economies from a reliance on manufacturing and natural resources to knowledge intensive industries. The need to respond to dynamic market demands and transitions, the report argues has shifted the predominant skills required by employers from low skilled labour to be more knowledge intensive. In this environment where the boundaries between the development and provision of goods and services is increasingly blurred, Schofield suggests that new occupations are emerging at the same time as old ones are disappearing or skill sets with which they are executed are changing radically.

On the skills supply side, South Australia’s skills formation system has at its foundation three formal education and training sectors including primary and secondary schools, higher education, and VET (Vocational Education and Training). Excluding schools and higher education (as they were outside of the scope of the Inquiry), the Inquiry found that there were four parts of the skills supply chain that needed improvement, namely:

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the quality and flexibility of vocational teaching and learning
wider pathways for young South Australians making the transition from school to employment
a stronger role for TAFE SA in facilitating innovation and technology diffusion, in industry and community development and in regional renewal
closer partnership between Government and the community sector to reach those adults who have had limited access to skills development opportunities in the past and who are most disadvantaged in the labour market.

The inquiry found that the current policy and program environment seeking to address the skills and workforce development needs was:

- highly fragmented
- not sufficiently focused
- priorities are not clear
- multiple individual programs are confusing to their users
- links between skills development policy, employment policy, industry policy and social policy are not as strong as they should be
- disparate planning and consultation and intelligence gathering systems do not inform each other or the State government’s program responses in any integrated way.

Subsequent to the Schofield Report, DFESST’s Skills Action Plan (2003) outlines the government’s infrastructure, strategies and policy mechanism for the ongoing development of South Australia’s workforce. The Skills Action Plan outlines a range of past, present and planned initiatives (indentifying key partners) which contribute to workforce development across the state. Initiatives are targeted at addressing skills and workforce development needs in 10 industry sectors namely: manufacturing; defence; food, wine and tourism; transport and logistics; mineral resources; construction; and health and community resources; creative industries; ICT and electronics. The report argues that support for the development of the skills bases of these sectors needs to become more flexible and customised through a mix of deregulation, education and

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48 Based on the recommendations contained within South Australia’s Creative Industries report, sectors founded on screen-based digital technologies, such as special effects and computer games, were identified as offering the greatest growth potential. Department of the Premier and Cabinet (2005). *Annual report 2004 -2005*. Department of the Premier and Cabinet. Adelaide, the Governemnt of South Australia.
training, new sources of finance and departmental restructuring’. Validating the finding of the Skills for the Future Inquiry, in its Draft Economic Development Plan, the Economic Development Board urged the South Australian government to ‘attach a high priority to responding vigorously to the recommendations raised in the Skills inquiry’ (Schofield 2003, p. 4).

**New Times, New Ways, New Skills: South Australian workforce 2010.** The document *New Times, New Ways, New Skills: South Australian Workforce 2010 – A Ten Point Plan for Action* (2003) outlines the government’s infrastructure, mechanisms and strategies for the ongoing development of South Australia’s workforce. The plan emphasises that skill is a ‘cross cutting’ issue, arguing that achieving the state’s economic goals is not the responsibility of the government alone. ‘Policies, strategies and programs intended to develop the skills of the workforce are not the sole responsibility of the education and training system. Rather, business, trade unions, individuals, communities, government agencies and the education and training system have a mutual interest in creating a world class workforce in South Australia’ (Department of Further Education 2003, p. 5).

The report also states the need ‘to do things differently’—‘to meet the needs of these new times we require a coherent set of policies and programs to facilitate skills formation. …‘We need to look at things differently; to approach South Australia’s workforce development from a new and creative perspective’ (ibid, p. 3). Interestingly the Premier used this same statement in the introduction to both the 2004 and 2007 the *South Australian Strategic Plans*.

In order to contribute to reaching these targets DFEEST reported in their 2004-2005 Annual report that they had supported the Digital Bridge Unit to work toward developing the following:

- **connectivity**: access to affordable and effective digital technology for all people
- **capacity**: the development of relevant skills and interest in using ICTs
- **content**: ensuring that the specific needs of community sectors and individuals are met by available on-line information and services.

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49 Interestingly the Premier used this same statement in the introduction to both the 2004 and 2007 the South Australian Strategic Plans.
DFEEST’s *Skills Action Plan* for generating creative capital adheres to the dominant model of defining the creative industries in Australia\(^{50}\) however demonstrates a clear bias of considering the digital creative’s the most critical in contributing to South Australia’s economic growth and the most viable in terms of return of investment of public money in workforce and industry development. Despite a number of the sectors within the creative industries whose primary creative knowledge base is not focused on ICT, but are however reliant on employees who have a high level of proficiency using computer technology to produce their work such as graphic designers and architects, the *Skills Action Plan* particularly focused on the digital media sector and identified factors that are directly affecting the ability of companies within the creative industries to grow. These factors include:

- lack of recognition of South Australia as a centre of digital creative expertise, despite the success of many companies
- the need for closer advisory arrangements between providers of digital media courses in South Australia and industry
- recruitment difficulties in finding and attracting local personnel – leading to companies resorting to finding new employees from interstate or overseas
- difficulty in retaining skilled people in Adelaide as creativity skills are highly portable and many practitioners are attracted to the eastern states
- lack of the business skills training within creative industries often means companies are unable to create sustained business growth.

The ‘Actions’ to develop the creative industries workforce summarised in the *Skills Action Plan* (2005, p. 14-15) appear to perpetuate many of the concerns raised by the Skills for the Future Inquiry, that policy implementation was highly fragmented; not sufficiently focused; multiple individual programs are confusing to their users; links between skills development policy, employment policy, industry policy and social policy are not as strong as they should be.

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\(^{50}\) audio-visual; media and digital media; advertising; craft, visual arts and indigenous arts; design; film and television; music; publishing; performing arts; cultural heritage/institutions.
CS2.5 South Australia seeking to utilise the instrumental value of creative capacity

When considering South Australia’s articulation of the need to develop enterprising people to support South Australia’s economic future, it is useful to recall some aspects of the discourse surrounding the relationship between creativity, innovation and entrepreneurship in Section 1 of this thesis. As O’Connor (1999, p. 9) observes, creative businesses have a mix of cognitive and symbolic skills (business and creativity). Schumpeter (1934) argued that innovation and technological change was driven by the entrepreneurs; describing the entrepreneur as an innovator, creating new combinations.

More explicit about the role of creativity and the role of the entrepreneur in stimulating innovation is John Kao (1998) who states that:

Entrepreneurship and creativity are seen as intimately related, timeless human qualities. Creativity implies generating new ideas and approaches. Entrepreneurial behaviour involves the ability to identify opportunities based on these new ideas and approaches and to turn them into something tangible. (ibid., p.17)

CS2.6 Creating an enterprising workforce: Improved learning outcomes in the arts and other curriculum areas that utilise enterprise education

In the context of the SACSA\(^5^1\) Framework enterprise education aims to provide learning experiences that allow and encourage children and students to develop the key competencies and a range of other attributes that are often collectively referred to as enterprising attributes. They include:

- using initiative and drive
- being creative and innovative
- being positive and flexible
- making decisions and solving problems
- planning and organising
- communicating and negotiating
- managing resources and people
- working cooperatively

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\(^5^1\) The South Australian Curriculum Standards and Assessment Framework (SACSA) framework is South Australia’s mandated curriculum.
The programs implemented that focus on developing the enterprise skills of our students include:

- Youth Export @mbassador Program: Fourteen schools and 78 young people, ranging from year 7 to year 12, have been involved with business and industry to learn about the export trade and the value of exports to the South Australian economy.

- Western Region Enterprise Day (WRED): Students have had the opportunity to explore and to take an active part in shaping a positive future and learn about business enterprises.

- Young Achievement Australia (YAA): A business enterprise is developed in partnership with the school, Young Achievement Australia (YAA), business and the community.

Admirable as these initiatives are, as McCarthy (2004) suggests their brevity makes them unable to develop positive learning habits or promote the development of significant skills. As Banaji et al. (2006, p. 8, cited in ARC Centre of Excellence for Creative Industries and Innovation & Australia Council for the Arts 2007, p. 36) write:

_Creativity is being constructed in quite contradictory ways: it is supposedly overwhelmingly important to regional economic development, but also marginal to the mainstream curriculum in terms of time and resources._ (p. 8)

**CS2.7 Richard Florida stimulates the question: Who are, and how extensive is, South Australia’s creative class?**

In 2004 in the wake of the release of his popular book, _The Rise of the Creative Class_ (2003), Richard Florida was invited to Adelaide by CEDA 52 to address a cross section of business leaders, politicians and policy makers. His presentation discussed his observations of what he considers ‘the rise of the creative economy’.

Perhaps gaining the audience’s attention even more was the following statement supporting his creative class theory in which he asserts that:

_Regional economic growth is powered by creative people who prefer places that are diverse, tolerant and open to new ideas._

_Places with diverse mixes of creative people are more likely to generate new combinations._

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52 CEDA is an independent, not for profit body formed in 1960 that aims to inform, influence and raise the standard of discussion and research about the issues shaping Australia’s economic and social development.
Greater and more diverse concentrations of creative capital in turn lead to higher rates of innovation, high-technology business formation, job generation and economic growth. (ibid., p. 249)

Summarising these statements, Florida’s theory advocates that the most successful places are the ones that combine all three T’s - tolerance, talent and technology.

A background document commissioned by the Capital City Committee (O’Neil 2003) prior to Charles Landry’s Thinker in Residence refers to Richard Florida’s The Economic Geography of Talent (2000) and the Geography of Bohemia (2001) in which he argues that ‘the distribution of talent – that is high human capital individuals – plays a fundamental role in the distribution of high tech firms and in regional economic outcomes’ (O’Neil 2003, p. 10).


Clearly this was the motivation for the setting of the Fostering Creativity target in the 2004 South Australian Strategic Plan to achieve a ranking in the top three Australian cities according to Richard Florida’s Creativity Index within 10 years.

CS2.8 Charles Landry Rethinking Adelaide and helping South Australia unlock its creative potential

One of Adelaide’s first Thinkers in Residence, Charles Landry (2003) was in Adelaide during the formative stages of South Australia’s strategic policy planning process. His biographic profile describes him as a world-leading expert in urban renewal and development. The partners supporting Landry’s residency were the Department of the Premier and Cabinet; Capital City Committee; City of Playford; Department of Business Manufacturing and Trade (renamed DTED in 2004); Adelaide City Council; Property Council of Australia; Centre for Lifelong Learning and Development, University of South Australia; and the Office for the Southern Suburbs.
Landry’s Thinkers appointments concentrated on:

- helping Adelaide unlock its creative potential
- enhancing understanding of why creativity is so important in achieving social and economic progress
- developing new connections between the city and the northern suburbs
- the role of culture in building stronger and more cohesive communities.

As was highlighted in the previous sections of this thesis, the discourse surrounding where and how creativity can be translated into economic benefits for regional economies is tangled and contested. As an economic geographer, Landry argues that cultural and creative capital is an essential asset for the regeneration of cities and economies. Just how cities capture and transfer this creative capital to their benefit is of great interest to not only policy makers but also the range of stakeholders that contribute to, utilise and enjoy the products of our diverse creative economy.

Landry’s Rethinking Adelaide report (2003) draws from cultural and creative industries discourse. argues that Adelaide should consider its creative and cultural assets as an industry. He observes that the grant sector often acts as an R&D zone for the mainstream and that the links between the subsidised and commercial sectors should be considered and supported in more sophisticated ways. Landry states that:

> In analysing the cultural industries as industries, one is concerned not only with the front end of creative production – the ideas people or performers - but also those who have to turn ideas into products, those who market them and those who provide outlets for cultural products to be seen and sold….

> Looking at the sector in this way one can see unusual impacts. Encouraging these industries is one of the most powerful means of enhancing the city’s and state’s identity and distinctiveness. At the same time it creates jobs, develops human skills, generates social capital and cohesion. (Landry 2003, p. 1)

Landry’s report clearly draws from discourses on human capital, knowledge and knowledge exchange (both explicit and tacit), mobility and globalisation, the role of social capital, governance, leadership, and regional systems that stimulate and support innovation. Landry’s argument also aligns with (although not overtly) van Reenen’s key features of the New Economy. By recognising that supporting the development of human and creative capital, innovation and entrepreneurship, industry clusters and
collaboration between the public and private enterprises not only provides the foundation for endogenous economic growth but also attracts new business and individuals to settle in the region.

Within Landry’s discussion of the sites and types of contributions creative capital and creative industries make to a community is a mixed bag of instrumental, institutional and intrinsic value. It is however the instrumental benefits of creative activity and culture that policy makers’ appear to value the most and seek to stimulate through investments in (often short term) industry focused projects.

CS2.9 Adelaide’s creative capital and instrument for urban regeneration

Despite Landry’s broad prescription to stimulate regional vitality, in many regions policy makers have translated this discourse into ‘arts’ led approaches to economic regeneration. South Australia’s approach follows this trend. The common argument to support this policy stance and investment is that a lively arts and cultural scene portrays a sense of a creative and innovative region; a creative place that attracts businesses and their employees, as well as tourists with discretionary income.

Bassett (1993) draws attention to the distinction between cultural regeneration and economic regeneration. Cultural regeneration is more concerned with themes such as community self development and self-expression. Economic regeneration is more concerned with growth and property development and finds expression in prestige projects and place-marketing. The latter does not necessarily contribute to the former (Bassett, 1993, p. 178).

More commonly it is the undercurrent of profit seeking that drives support for arts led approaches to urban regeneration rather than the intrinsic and often intangible value arts and cultural activity provide to communities. Commonly the urban development strategies that provide spaces for artists are merely paving the way for the attraction of high income earning residents who appreciate the arts. The initially small areas of apartments in these precincts snowballs and leads to the gentrification of the precinct and property prices that artists and small creative enterprises are then unable to afford.
This scenario has proven to be the case in precincts like Greenwich Village in New York, parts of inner city Glasgow, and Temple Barr in Dublin. In South Australia and Adelaide in particular, this pattern of using the arts as a form of window dressing to stimulate rises in property values was exemplified in the 1980s and early 1990s in the East End of Rundle Street in Adelaide’s CBD. This precinct was originally the site of the city’s main wholesale produce market. As property prices in Adelaide generally began to rise in the late 1980s, many of the original businesses, including the market, closed or relocated. As many of the properties in this precinct were in need of considerable refurbishment, many property owners had chosen to lease their properties to artists and creative businesses such as architects, hairdressers, new wave fashion shops, art and second hand markets, pubs providing venues for local/alternative bands to perform, and restaurants catering to some of the city’s more adventurous diners.

This mix of day and night time trade and its proximity to the University of Adelaide and The South Australian Institute of Technology (now UniSA), saw Rundle Street become the professional and social hub for many artists and design studios, academics, and bohemians – a visible presence of Adelaide’s creative class. As property prices continued to rise in the CBD and demand for city living rose amongst the wealthy ‘empty nesters’, property developers began to erect apartments within the East End precinct, the majority of which were out of the reach financially of the community that gave rise to the popularity of the precinct.

Ironically, the advertising strategy used to sell the apartments utilised the presence of ‘creatives’ in the precinct to attract residents and businesses to the city seeking to take part in an ‘edgy’ city lifestyle, yet over many years there has been contestation between live music venues and residents seeking curfews on noise. Some critics of these types of inner city regeneration strategies, such as Harvey (1989, cited in Kong 2000), refer to these strategies as carnival masks because they allow politicians to ‘conceal growing social inequality, polarisation and conflict within cities’ (p.388).

**Strategies for creating and attracting talent.** Another common manifestation of the arts being used to impart an impression of Adelaide as a vibrant city is the government investment in major events and arts and cultural festivals, and in the development of
cultural precincts such as the Lion Arts Centre in the West End precinct of the city. In South Australia the support for major events and festivals is most notably illustrated by the long standing Adelaide Festival of Arts (1960 - ) and WOMADelaide, the world music event established in 1992. Using evidence from economic impact statements many argue that these events contribute substantial new money to the regional economy. McGregor Tan Research calculated that South Australian businesses experienced a 15% increase in turnover during the Adelaide Bank 2006 Festival of Arts and 190 FTEs equivalents of employment (Adelaide Festival of Arts 2008, http://festival.fusion.com.au).

What is not clear is in what sectors the employees were required. In 2008, 855 artists and performers participated in the Festival, including 277 from overseas and 232 from interstate.

Moving beyond the focus on festivals and events that impart a sense of vibrancy for short durations, often attracting creative talent from other regions, Landry (2003) describes the ‘programmatic coat-hanger’ for Rethinking Adelaide ‘is the idea of focusing on home grown talent. Harnessing the creative potential of local people has to be the defining core of Adelaide’s reinvigoration’ (Landry 2003, p. 76). Landry recommends that a ‘talent strategy’ for Adelaide should be developed which supports risk taking, creativity, collaboration and a global outlook, particularly targeted at maximising the potential of young people at the local level.

Landry’s notion of talent is not to attract the ‘best and the brightest’ as has been common in the past, but to consider and discuss talent in the context of a quality inherent in all, albeit to varying degrees, which should be nurtured wherever it lies.

*Economic growth of innovation intensive industries has now become interconnected with the challenge of identifying, nurturing, harnessing, developing, sustaining, attracting and retaining talented and creative people wherever they may be.* (2003, p. 59)

The talent strategy was described as having a key role in the achievement of the South Australian Strategic Plan’s target 4.1 to achieve a ranking in the top three regions of Australia in Richard Florida’s Creativity Index within 10 years. In his Rethinking Adelaide report
Landry calls for the investment in ‘urban animateurs’\(^{53}\) whose sole role is to add value to existing initiatives by identifying opportunities to connect people, organisations, events and conferences to build Adelaide’s potential as a connected and strategic city (2003, p. 8).

Landry’s *Rethinking Adelaide* report considers that talent needs to be developed and applied to addressing the green agenda. With such a critical local and global need to consider the effects of the use of natural resources and the impact of cities and human habitation, it is surprising that there is no attention paid to the role of creativity and the creative sectors of design and architecture as sources of innovation and the integration of design into addressing our environmental challenges. Landry states:

*The new thinking for and about Adelaide should impact on policy at three levels: the conceptual, the discipline-based and implementation.* (Landry 2003, p. 76)

Landry extends this argument by describing the idea of:

*Conceiving Adelaide as an interconnected, dynamic asset rather than a series of micro entities is an example. It shifts policy from concentration on physical infrastructure towards urban dynamics and the overall well-being and health of people.* (ibid.)

**CS2.10 Regional innovation systems in South Australia**

During the 1990s and early 2000s the theoretical discourse surrounding industry clusters gained significant attention from policy makers seeking to revitalise the state’s floundering manufacturing industries.

In 2003 during the development of the SASP, the Schofield Report focused on understanding the future skills needs for South Australia. Drawing on work of the OECD in the late 1990s as well as the New South Wales government in 2000; the report argues that as regions seek to develop sustainable competitive advantage in an increasingly globalised economy and where macro-economic policies are converging’ place specific factors and assets such as a skilled labour force, environmental quality and amenity of place, as well as dynamic networks and clusters that enable sharing of tacit knowledge and mutually beneficial technology transfers amongst businesses play a critical role in economic sustainability and development.

\(^{53}\) Someone whose job is to organise cultural projects or social events and get people interested in them.
Influential in South Australia’s Economic development policy environment, Henton, Melville and Walesh (1999) argue:

Innovation and the successful entrepreneurs that drive innovation are embedded in regional networks that connect assets in ways that create wealth and opportunity for both firms and individuals. Innovation is a social process. It rarely occurs because a single individual or firm takes an idea to market. Instead it involves many people playing many roles in a dynamic collaborative process built around creative teams and face–to-face interaction. Creative work, as opposed to routine production, requires close proximity…. Networks speed up the innovation process by connecting people across boundaries and accelerating learning. (p.2)

In the late 1990s Michael Porter and Henton and Walesh influenced policy makers in South Australia and other Australian regions in with their work on industry clusters and networks. Notably Michael Porter has argued that in advanced economies regional clusters of related industries (rather than individual companies or single industries) are the source of jobs, income and export growth.

South Australia embraced the theory and development of industry clusters, with the notable example being the MFP (Multifunction Polis). Two clusters chosen for the prototype MFP program were Defence and Multimedia. Parallel with the MFP’s interest in cluster economic development was another business collaboration programme supporting the formation of business networks. This programme was developed under the auspices of the then South Australian Centre for Manufacturing.

**South Australia’s Business Vision 2010.** Late in 1998 the industry clusters programme was transferred to SABV2010. Defence and Multimedia together with a Spatial Information cluster were the first to be formed under SABV2010. These were followed by the Water cluster following the privatisation of the management of the South Australian water industry. Other clusters were also being developed in International Tourism and Commercial Sport and Recreation Environment Management Products and Services, Mining and Geosciences. In addition several major new cluster initiatives in IT and Biosciences industries were developing outside SABV2010’s cluster development program.

The formation of clusters relies on developing new or tapping into existing social systems, composed of interacting sub-systems. Critical to this process, is the

Citing the evaluation of the European Regional Innovation Systems, South Australian economist Dick Blandy (Blandy 2004) observes that the development of sustainable and productive clusters and networks is a ‘medium to long-run task, as the time horizon for growth and income targets is typically 5-10 years. Blandy’s observation supports the findings of other researchers and interested individuals, many of whom attended the BV2010 Arts Cluster meetings that expressed a concern that funding for initiatives that rely on development of relationships and trust between multiple businesses and business sectors to generate new market opportunities and innovations in products and services needs the sustained by support for the binding organisations such as BV2010. This observation also reflects Charles Landry’s call for:

‘Urban animateurs’ whose sole role is to add value to existing initiatives by identifying opportunities to connect people, organisations, events, conferences and build Adelaide’s potential as a connected and strategic city. (2003, p.8)

Blandy’s BV2010 report was essentially an advocacy document written at the time that the Department of Trade and Industry was going through considerable transition to form the reconfigured Department of Trade and Economic Development (DTED) which coincided with the evaluation of the wider impact of its investments in economic development programs. Despite Blandy’s efforts to argue the case for continuing support for the SABV2010’s cluster development program, he cites the failure of the SABV2010’s industry clusters program to develop strong vertical linkages to skill, technology and infrastructure suppliers in South Australia. This was also considered as a weakness by DTED, and funding was withdrawn.

Addressing the weakness of its predecessor, BV2010, in recent years Constellation SA has taken over to a major degree the role of the SABV2010 clusters program. The newer initiative coordinated from within DFEEST has sought a broader remit focusing on the end user and desired outcome by working to facilitate and strengthen collaboration
between researchers, within and across disciplines and support the development of more effective interface between policy, research, and the end users in the community, rather than focusing the on specific industries and supply chains.

The state governments activities represent a long term objective and significant investment in Constellation SA in order to achieve the SASP Target 4.8 – Have based in South Australia either the headquarters or a major node of at least 40% of all existing CRC’s, Major National Research Facilities and Centres of Excellence within 5 years. Despite of the fact that Constellation SA received $3million dollars for use in ‘five innovative science and research projects’, the broader stated objective of Constellation SA is to enhance the state’s already considerable investment in R&D by strengthening collaboration between researchers, within and across disciplines. This raises the question as to what factors and attributes does South Australia need to cultivate and support to facilitate and strengthen collaboration within and across disciplines and knowledge typologies.

**Conclusion: A poorly curated repertoire of discourses and strategies creating policy predicaments**

Over the past 30 years this (mostly unquestioned) interlinking of the languages and ideas of cultural theorists and economic theorists with multiple perspectives and arguments posed by advocacy groups from diverse industries has acted to embed at least the word *creativity* and the notion of *creative industries* into regional economic growth discourse and policy making.

Within this discourse, innovation has become a dominant theoretical concept and a goal for politicians and policy makers. Accordingly, a high proportion of creative individuals, a lively arts and cultural scene and dynamic and edgy creative industries (the actors generating intrinsic value) have been seen as a primary component of successful and innovative regional economies, yet at the same time they struggle to prove their legitimacy in empirically focused measurement and funding models.
The following section contains a case study that examines how the multiple strands of discourse asserting creativity’s importance in economic development have been translated into the *South Australian Strategic Plan*. In addition, the case study enables examination as to whether the stated policy aim for South Australia to do things differently and foster creativity is supported by the definition used to identify the creative industries in South Australia\(^\text{54}\) and the strategies and targets contained in *South Australia’s Strategic Plan*.

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\(^{54}\) *The Creative Industries in South Australian report* (2005) identified the following sectors as constituting the creative industries in South Australia:

- audio-visual, media and digital media, advertising, craft, visual arts and indigenous arts, design (including architecture, fashion, and graphic, urban, industrial and interior design), film and television, music, publishing performing arts, cultural heritage/institutions
Section 4
The State of the Arts
Case study analysis of the SA Strategic Plan
South Australia: State of the Arts, whatever that means

The following section examines how the multiple strands of discourse asserting creativity’s importance in economic development have been translated into the South Australian Strategic Plan\(^5\) and seeks to answer the following two-part question.

1a How has the academic and policy discourse surrounding creativity’s role and importance in regional economic development been applied in conceptualising the creative industries place in the South Australian Strategic Plan?

1b Moreover, do the Fostering Creativity objectives and targets within the South Australia Strategic Plan convey a broad or narrow understanding of creativity and the creative industries capacity to contribute to South Australia’s economy?

Answering this question will enable a more informed understanding of how the contested conceptualisations of creativity’s value within the economy have been played out in South Australia’s economic development agenda.

In addition, the case study enables conclusions to be drawn as to whether the stated policy aim for South Australia ‘to do things differently’ and foster creativity is supported by the definition used to identify the creative industries in South Australia and the strategies and targets contained in South Australia’s Strategic Plan. Or are the objectives, targets and strategies to achieve this objective conceptually and rhetorically a creative quick fix?

Reinventing government. Osborne and Gaebler’s (1992) observation, occasional participation and published commentary in the series Reinventing Government had a major impact on the way democratic governance was viewed, theorised and implemented through political and administrative systems. Embedded within a neoclassical economic framework, the driving premise of the political theory of reinvention is that business and enterprise are the key drivers of regional economic success and that ‘individual self interest is the engine that drives social good’ (deLeon, 1992).

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\(^5\) The 2004 SASP is divided into two volumes; volume one sets out the six Key objectives and outlines ‘where are we now’; ‘Targets’; ‘measuring tools’; ‘priority actions’; ‘primary responsibility’ [for the target] and identifies where ‘more information on each objective’.
Denhardt, 2000). The business model advocated by the Reinvention Movement is one which envisions government agency as service provider, the public as clients, and agency administrators as entrepreneurs.

As is argued by Cooke and Memedovic (2003):

> Policies pursued by regional governments can enhance the economy, culture and identity of regions, including their institutional capacity to attract, animate and construct competitive advantage. Collective entrepreneurship, by promotion of cooperative practices among actors, may give regions distinctive trajectories in regional economic development. (Cooke&Memedovic 2006, p.3)

As noted previously, South Australia’s approach to arts and cultural policy, including definitions of creativity and how it should be valued, has been influenced greatly by British attitudes towards art and culture. British policy approaches to support arts development, production and exhibition have also been copied since the founding of South Australia. As social constructs and philosophies supporting government agency in democratising the arts and cultural activity in Britain gained influence, they were adopted in South Australia. The current approach to economic policy development, articulation and implementation has continued to follow the lead of British policy makers who in the late 1990s began to favour evidence based policy making (EBPM).

As Parsons (2002) notes, the EBPM approach breaks down the policy making process into distinct sets of management tasks that in turn can be processed within a mechanistic system. The implication of a mechanised system is that it will provide certainty and stability of outcomes and thus serve to legitimise policy choices and implementation strategies.

Turning his attention to the process of policy analysis within the EBPM model, Parsons (2002) argues that:

> EBPM intention was not to produce ‘evidence’ (his apostrophes) to drive policy but to facilitate the clarification of values and contexts. EBPM is about what works rather that what you believe. It is about efficiency effectiveness and economy in delivery rather than ethics. (p. 54)

Policy making in South Australia has become rooted in a wholly managerial and mechanistic way of thinking. EBPM came to be regarded as a means of modernising and
professionalising the process of developing policy in concert with the adoption of neoliberal business principles for operating and funding the arts. In this way, the economic agenda of many governments, as well as their policy making processes came to fit the dominant neoliberal economic theory and the business structures and practices that support it. In order to maintain stability within the government system, evidence is required to support decisions about investment and management, which in turn need to be guided by a set of core values and strategies articulated coherently in a plan, a plan through which Parsons (2002) suggests ‘key actors can secure their ideas and policy recommendations’ (p. 54).

**Strategic planning as a policy making process.** Minytzberg (1994) observes that since the 1960s when the notion of strategic planning (SP) came to the fore as a tool for corporate managers, it has since become regarded as one of the most expedient ways to devise goals and encourage behaviours that will enhance the competitiveness of organisations and business units. The idea of strategic planning fits very well with the objectives and philosophy of EBPM, and its champions for using SP as a policy tool claim that: ‘it provides a set of concepts, procedures, and tools that can help public sector organisations deal with the recent dramatic changes in their environments’ (Bryson and Roering 1987, p. 9).

This increase in government agencies acting like businesses has resulted in influential individuals, industry lobby groups or agencies acting in their individual self interest pursuing particular short term policies, industry support programs and service delivery dimensions. Although associated with varying degrees of consultation their influence hinders the development of more deliberative policy and programs that support a broader long term public, social and economic interest. Moreover, their activity impacts on the means and ways governments invest for the public good, but also on the ways government agencies behave as part of the economic system, in some cases acting as service providers actively competing with private businesses, as well as each other for resources and clients.
Case study 3:
The South Australian Strategic Plan (SASP): Summative case study

This summative case study draws upon the analysis and data from the first two case studies to examine the South Australian Strategic Plan. The following questions are addressed:

*How has the academic and policy discourse surrounding creativity’s role and importance in regional economic development been applied in conceptualising the creative industries place in the South Australian Strategic Plan? Moreover, do the Fostering Creativity objectives and targets within the South Australian Strategic Plan convey a broad or narrow understanding of creativity and the creative industries’ capacity to contribute to South Australia’s economy?*

*Has the discourse surrounding the importance of creativity to economic development been translated within the SASP and encouraged the state’s ‘capacity to do things differently’ (SASP2004, p. 3), or are the objectives, targets and strategies to achieve this objective conceptually and rhetorically a creative quick fix?*

CS3.1 South Australia’s plan for planning

There are several key reports acknowledged as providing a prologue to the 2004 South Australian Strategic Plan. Many consider the AD Little report New Directions for South Australia’s Economy (1992) to be the first of many in a string of visioning and strategic documents that have sought to map out pathways for South Australia to develop a sustainable economic future.

In the same year as the AD Little report, another vision document of significance was produced by the Department of Urban Planning – 2020 Vision (Lennon). Although the document stemmed from Michael Lennon’s urban planning perspective, Nigel Hopkins from the Adelaide Review (2004) describes the document as:

*The first plan of its type in Australia that attempted to create strategies as much about economic development as planning.*


In this respect Hamnett and Lennon (1999) argue that South Australia’s economic development requires placing strategic planning at the heart of government decision-making and needs:
To go beyond the coordination of infrastructure planning and the provision of land for new housing … and to encompass a whole of government approach which would integrate economic, social and environmental priorities… (Hamnett and Lennon 1999, p. 289)

Upon its re-election in 2002, the South Australian Labor government established a number of key policy advisory structures, namely: the Economic Development Board (EDB), the Export Council, the Venture Capital Board, the Manufacturing Consultative Council, the Defence Industry Advisory Board, the Social Inclusion Board and the Premiers Roundtable on Sustainability. The reports emanating from the consultations and deliberations of these groups added to numerous other significant reports outlining proposals for the development of the state’s future.

As in many other Western economies, increased discourse outside of the arts and cultural sector during this time began to assert the importance of creativity as a feature in regional economic development. In South Australia this increasing awareness was stimulated by organisations including the Capital City Committee, Office for Volunteers, the Thinkers in Residence program, Social Inclusion Unit and Festival of Ideas, all of whom argued that South Australia’s future prosperity is tied in important ways to the extent to which it can sustain and foster creativity and innovation.

In April 2003 the Economic Development Board (EDB) was formed by South Australia’s Rann Labor government. The EDB was charged to specifically focus on guiding long-term economic growth and prosperity for the state. The EDB’s report, A Framework for Economic Development in South Australia – Our Future Our Decision (2003), contained 72 major recommendations for action by government, business and the community. The report articulates the issues that the EDB and the some 10,000 South Australians consulted considered fundamental to the state’s ability to build a more robust and globally competitive regional economy.

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56 Members of the 2003 EDB: Roberts Champion de Crespigny AC (chairman); Dr Roger Sexton (CEO); Cheryl Bart; John Bastian; Grant Belchamber; Maurice Crotti; Andrew Fletcher; The Hon. Bob Hawke AC; Carolyn Hewson; Scott Hicks; Fiona Roche; David Simmons; Bill Wood.
The recommendations made by the EBD are set out in a broad framework within which are identified ‘economic building blocks’ that would form the foundations on which all industries would thrive and from which new industries would emerge (EDB 2003).

In its *Framework for Economic Development in South Australia* the EDB makes specific reference to the *Fahey Report* (2002) regarding government efficiency, effectiveness and the need to redress the ‘pronounced culture of risk aversion’ which, amongst other issues, impedes the delivery of timely decisions and innovative processes for delivering better outcomes. The report states:

In the absence of an overarching, whole-of-government statement on the State’s strategic priorities, individual agencies have developed their separate sectoral plans in isolation from each other. (p. 24)

Historical practice within government has been to determine priorities and resource allocations mainly at the portfolio level, without giving adequate consideration to broader cross-government priorities. This narrow focus is reinforced by an approach to budget allocations, whereby individual Ministers negotiate separately with Treasury (often very late in the process) for departmental allocations. (p. 23)

In examining the core themes and language used in the Economic Development Board’s report, it is clear the writers have drawn heavily from the discourse around the New Economy and endogenous growth theory. In Section 3 of the framework document, the EDB expands discussion of the broad framework and strategy that it believes must be put in place to achieve the economic outcomes that the EDB also believes the community is seeking.

In doing so, the report acknowledges South Australia’s current strengths; i.e. in the automotive, wine, water technology, food, defence, electronics tourism and the creative industries. Interestingly, the EDB states that the framework they propose represents a fundamental shift away from the industry-based approaches of previous government economic plans. They assert that the framework does not focus on particular industries or attempt to formulate a ‘magic recipe’ that could fix all the State’s ills’ (ibid., p. 11).
In reviewing regions that were successfully managing economic revitalisation, the EDB found six consistent themes. They considered the most significant common factor for success to be targeted action plans, with deliverable (and measurable) outcomes (Economic Development Board 2003, Preface, no page number). As a result of this interpretation, the EDB recommended that South Australia develop a whole of government strategic plan, based on the US state of Oregon’s Comprehensive Plan (1999)\textsuperscript{57}.

Like the economic development plan for Oregon, the \textit{South Australian Strategic Plan} (SASP) was designed to provide an overarching, whole-of-government statement on the state’s strategic priorities, and aspired to address the issue of individual agencies developing their separate sectoral plans in isolation from one another. The SASP was developed by a team of bureaucrats and advisory panels led by Jeff Trynes who was brought in from Portland, Oregon, US to specifically oversee the consultation phase and writing of the plan.

The six nominally interrelated objectives of the 2004 \textit{South Australian Strategic Plan} were:

- growing prosperity
- improving wellbeing
- attaining sustainability
- fostering creativity
- building communities
- expanding opportunity.

\footnote{Portland, like Adelaide, is described as a ‘liveable city’ and could be broadly described as similar to Adelaide in its economic and industrial history, as well as its social and political history (Johnson, S, \textit{The Myth and Reality of Portland’s Engage Citizenry and Process-Orientated Governance}. www.portlandonline.com). The arts and culture too have been prominent in Oregon’s general civic planning efforts from the mid 1980’s. \textit{The 25 year Vision for Central Portland} (1999) includes creativity and imagination as one of five key focus areas of the plan. Arts and culture are described as: ‘providing the creative capital, dynamism and vitality that lead to a high quality urban life. \ldots\ldots\ldots Central Portland will be the hub of a major renaissance that continues to build on the solid foundation of the past twenty five years. Portland will increasingly be known for its creativity, which supports employment, investment and quality of life’.}
CS3.2  Mandates resulting from government, business and community deliberation, or was the deliberative process used to support preconceived policy objectives?

Many contemporary policy scholars, such as Kaplan 1986; Roe 1994; Hajer 1995; Stone 2002; and Fischer 2003 argue for a deliberative approach to policy development that encompasses and values contributions to the policy debate from stakeholders within as well as outside the government.

Inspired by the Blair Labour government in the UK, the Rann government decided to conduct numerous community consultation events in order to identify or reaffirm the mandates or ‘musts’ the community wanted the state government to act on. This was despite the Premier’s acknowledgement in the introduction to the plan that ‘South Australia has had so many plans and we have been consulted to death’. However, he justifies the adoption of the SASP consultation process by reflecting that ‘what we have lacked over the decades is a comparable zeal for implementation, let alone setting ourselves clear and hard targets’ (SASP 2004, p.1).

This attempt to articulate a more deliberative approach to economic policy development culminated in the South Australian Strategic Plan – Creating Opportunity (2004). To support the claim of implementing a deliberative approach to policy making, the 2004 South Australian Strategic Plan states:

- The government has listened closely to what people have said over the last two years in developing this plan. It has been greatly helped by four key advisory groups and their consultation process and strategies. These are:
  - The Economic Development Board’s Economic Growth Summit in April 2003 and its resultant Framework for Economic Development in South Australia, as part of which thousands of South Australian’s were consulted.
  - The Social Inclusion Board’s Drugs Summit and its work on addressing school retention rates, homelessness and youth unemployment.
  - The Science Research Council’s vision for the future of science, technology and innovation in South Australia.

A deliberative system consists of a number of interconnected settings, including arenas of macro deliberation such as the news media, arenas of micro deliberation such as legislatures and executive committees, and arenas of mixed deliberation like town hall meetings. Within these contexts policy deliberation can occur across a multitude of sites and settings within a policy field and geographical jurisdiction.
The newly formed Premier’s Round Table on Sustainability, which has already identified a number of themes to be explored in working towards a sustainable future for the state.

These bodies have brought together people from government, business and community to address important matters facing the state. Their contribution, and particularly the positive interactions between business, community and Government, is critical to ensuring we find effective solutions to the complex issues we face. (Department of the Premier and Cabinet 2004, p. 11)

As John Dryzek (2001) observes:

A policy discourse will always feature particular assumptions, judgements, contentions, dispositions, and capabilities. (p. 658)

It is important to note that there is no overt reference to or relationship within this list of advisory groups to information being sought from the Humanities, Arts or Social Sciences fields (HASS). It can therefore be assumed that individuals contributing to these key advisory groups predominantly emanate from educational and knowledge taxonomies more closely associated with science and technology, business and economics. And therefore set up the likelihood for a less balanced consideration of issues facing the South Australian community, the knowledge bases and the means by which they can be addressed. By default this implies the likelihood of a conceptual bias towards creativity and the creative industries’ role in delivering instrumental over and above its contribution to the intrinsic role it plays in informing, shaping and reflecting South Australia’s community culture.

The overview of the plan (pp. 10-11) provides insight into the mission and values that are revealed through the plan’s objectives, strategies, targets and actions to achieve them. No comprehensive mission statement is provided in the plan, contrary to typical strategic planning reporting. Analysis of the plan leads to the conclusion that Creating Opportunity is the mission, however, given the by-line of the document title.

The overview also highlights key features that help define the state and values that have been important in the past, namely:

- a creative and innovative community that seizes opportunities
- a responsible community that cares for others
- a place with an enviable and affordable lifestyle
- a community that cares for its environment.
The primary statement in the overview is ‘changing the way we do things … if South Australia is to seize the opportunities of the future’. In addition, the overview articulates that in order to achieve this aim the state must:

1. recognise the ever increasing competition from other regions around the world and ‘answer the wake up call’ if it wishes to be globally competitive as well as socially inclusive and equitable.

2. focus and consolidate on its strengths by ‘unleashing its creativity’ thus better enabling it to generate the jobs, wealth and wellbeing we have come to value so highly.

3. present a confident image as other’s perceptions will impact on the state’s attractiveness as a place to invest and do business.

All of the previous statements contained in the SASP are highly appealing ‘catch alls’ to both business and the broader community; however when each statement is considered from either a community/social perspective or a business/economic perspective the issue of conflicting values arises between what is seen to be good for business or good business is not necessarily good for individuals and the community and vice versa. It is within this contested territory of conflicting values that creativity, the arts and cultural sectors and the design professions find themselves. One the one hand they are being acknowledged as vital contributors to a vibrant economy, and on the other they struggle to justify their legitimacy in a highly contested policy environment.

Although individuals and communities often express the need for change in the way governments respond to community needs and desire value from their tax contributions, the Premier’s urging for South Australia to change the way things were done was a risky strategy considering politicians and policymakers desire to provide stability and predictability in order to maintain favour with the voting public, as well as the credit rating agencies who rate South Australia’s credit, and investment worthiness for businesses considering locating in South Australia.

The conflict between the need for stability and predictability and the desire to do things differently expressed in the South Australian strategic plan can be illustrated using Quinn’s (1988) Competing Values Framework (CVF). CVF emerged in the 1980s from studies of public sector organisational effectiveness in the US. In Beyond Rational
Management, Quinn (1988) characterised organisations as complex, dynamic and contradictory systems in which managers must fulfil many competing expectations. Talbot (2003) remarks that CVF when applied to understanding public value yields a way of highlighting the conflicting values with which all public agencies have to deal in a coherent and understandable manner – conflicts such as those between focusing on the internal or external systems, and flexibility to enable the development of new ideas and systems while maintaining stability. This is true also of the role of governments, and the conflicts between stated goals in political platform papers, policy documents and the development and implementation of the strategies to achieve the policy objectives and targets.

**CS3.3** The *South Australian Strategic Plan* identifying and articulating the strategic issues facing South Australia

The spreading and articulation of the South Australian government’s concern into all corners of the community is exemplified in the strategic issues outlined in the SASP, and referred to by the business phrase *key objectives*; that is, goals identified as fundamental to state’s future prosperity.

The 2004 SASP states that it provides a framework for agencies to work together to achieve clear overall objectives. Ultimately, the State Strategic Plan seeks to widen opportunities for all South Australians by focusing on six key strategic objectives:

- **growing prosperity**, sustained economic growth resulting in rising living standards, with all South Australians sharing in the benefits through more and better job opportunities and accessible and high quality services
- **improving wellbeing**, further improving our quality of life and the wellbeing of the community and individual citizens. The focus will be on being healthier and fitter, having less crime and feeling safer, and with a particular emphasis on preventative measures, including education programs.
- **attaining sustainability**, the most critical environmental issue is the River Murray and the state’s water supply; sustainability is not an option: it is mandatory. South Australia must be world-renowned for being clean, green and sustainable. This will boost community wellbeing, safeguard future generations and contribute to our state’s future prosperity. The focus will be on protecting our biodiversity, securing sustainable water and energy supplies, and minimising waste.
- **fostering creativity**, innovation and creativity providing South Australia’s future capital for growth and expansion.

  The government recognises its role in providing the right environment for these attributes to flourish in sectors ranging from the arts to manufacturing, and its ability to provide a lead for the rest of the community. Our capacity to do things differently will be one of the keys to achieving all of our objectives.

- **building communities**, the government has encouraged community participation and helped people of all ages to connect with other community members and contribute to civic life.

  Its priority is to develop South Australia as a place in which people can care for each other and contribute to their communities. This will enhance our peace, pride and prosperity and build ‘social capital’. It will also attract new migrants, visitors and investors, who will bring skills, resources and ideas.

- **expanding opportunity**, the government’s priority is to ensure all South Australians are able to create and use opportunities that build on their talents.

  Restoring the state’s leadership in education is fundamental, with a focus on establishing the foundations in early childhood and building the basic skills in primary school.

Strong healthy democracies are built on inclusive societies where all citizens, irrespective of circumstances, have the means and opportunity to participate in the civic, cultural, social and economic life of their communities.

The preceding strategic objectives have managed to weave into them a collection of statements that have been drawn from the tangle of economic development and arts and cultural theory discourse as discussed in the previous section of this thesis. However, one statement can be drawn out as the overarching strategy focus. That is:

"Our priority is to reinforce South Australia as a place that thrives on creativity and innovation. This capacity to do things differently will be one of the keys to achieving all of our objectives. (Department of the Premier and Cabinet 2004, p.3)"

**CS3.4 Objectives and strategies to foster creativity in South Australia**

Acknowledging that South Australia has a long history of creativity which is exemplified through Noble Prize winners, award winning film makers and innovative manufacturing, the Fostering Creativity objective identifies creativity as one of our key resources for the future. The following statement seeks to reinforce this observation:
Our priority is to reinforce South Australia as a place that thrives on creativity and innovation. This capacity to do things differently will be one of the keys to achieving all of our objectives. The focus will be on fostering a culture of creativity, on developing creative, innovative and enterprising people, on investing in science and research, and in innovation infrastructure, and on converting ideas into practice. (Department of the Premier and Cabinet 2004, p. 39)

The summary of Objective 4 Fostering Creativity of the 2004 South Australian Strategic Plan states:

Innovation and creativity provide South Australia’s future capital for growth and expansion. The Government recognises its role in providing the right environment for these attributes to flourish in sectors ranging from the arts to manufacturing, and its ability to provide a lead for the rest of the community. Our capacity to do things differently will be one of the keys to achieving all of our objectives. (Department of the Premier and Cabinet 2004, p. 3)

The key points of focus for the Fostering Creativity objective were identified as:

- Build on our creative heritage.
- Foster a culture of creativity – vital for economic growth.
- Encourage innovation, which will drive productivity growth and create new jobs.
- Apply science and technology to boost innovation.
- Encourage creativity and enterprise in our young people.
- Support creativity with commercial reality.

When considering these key points in relation to John Holden’s (2006) conceptualisation of cultural value, which argues that the arts and creativity more generally provide intrinsic, instrumental and or institutional value, the key points articulated within the SASP exhibit a distinct bias toward creativity’s instrumental value as is illustrated in Table CS3.1.

<table>
<thead>
<tr>
<th>Table CS3.1</th>
<th>Comparison of SA’s Strategic Plan key points to Holden’s conceptualisation of cultural value</th>
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<tbody>
<tr>
<td>Build on our creative heritage</td>
<td>Institutional value</td>
</tr>
<tr>
<td>Foster a culture of creativity - vital for economic growth</td>
<td>Instrumental/ Intrinsic</td>
</tr>
<tr>
<td>Encourage innovation, which will drive productivity growth and create new jobs</td>
<td>Instrumental value</td>
</tr>
<tr>
<td>Apply science and technology to boost innovation</td>
<td>Instrumental value</td>
</tr>
<tr>
<td>Encourage creativity and enterprise in our young people</td>
<td>Instrumental value</td>
</tr>
<tr>
<td>Support creativity with commercial reality</td>
<td>Instrumental value</td>
</tr>
</tbody>
</table>
The Plan to achieve Objective 4 Fostering Creativity includes the following statements articulating the actions needed for success:

**foster creativity**
A culture of creativity will make a significant contribution to turning South Australia’s underlying advantages into superior economic performance – contributing to our other goals through the generation of new ideas and the creation of new products and services.

**innovate to accumulate**
Innovation will drive improvements in productivity, which is the main driver of economic growth. It will also lead to high quality, well paid jobs, particularly in new start ups and small business. These new jobs will help replace jobs lost in some of our more established industries through restructuring.

**apply new science**
Developments in science and technology are rapid and pervasive, spread quickly by global communications. More than ever, Government must bring the worlds of science, technology and innovation closer together to facilitate a full and beneficial exchange.

**think through the issues**
In 2003 the South Australian Government established the Adelaide Thinkers in Residence program. This brings world-leading thinkers to live and work in Adelaide, and assist in the strategic development and promotion of South Australia.

Their global perspectives and skills are helping South Australia to create a dynamic progressive and innovative environment, providing significant opportunities in many sectors of activity.

As a priority we will focus on developing inquiring minds and enterprising skills in our young people. Fostering creativity from an early age keeps children and young people engaged in learning, increases school retention and improves academic and social outcomes. We will nurture that creativity through promoting lifelong learning for all.

**make it happen**
Creative thoughts and innovative approaches require a sound understanding of commercial realities, including financial skills and marketing. The Government has a range of educational and commercial programs to support these needs, as well as the recently-established Venture Capital Board. It also recognises that more needs to be done to support entrepreneurial activity, to encourage appropriate risk-taking and to support those prepared to take bold actions. (SASP, pp. 40-41)
Table CS3.2, following, provides a summary of the 2004 *South Australian Strategic Plan’s* strategies and targets addressing the above statements, and the measuring tools chosen to assess progress and achievements against the targets. This provides a framework to analyse the Fostering Creativity targets: considering the espoused value (either explicit or implicit) contained in each strategy; the basic assumptions of value derived from creativity’s role in achieving the target (intrinsic, instrumental, institutional); and whether the conceptualisation of creativity’s application in the context of each of the targets is broad or narrow and offers a policy/strategy innovation in achieving the broad objective of fostering creativity, or is creativity policy/strategy path dependent. A table summarising this is provided in Attachment 2.
<table>
<thead>
<tr>
<th>Strategy</th>
<th>Target</th>
<th>Measuring tool</th>
<th>Target informed by</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Creativity</strong></td>
<td><strong>Creativity Index</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Target 4.1</strong></td>
<td>Achieve a ranking in the top three [Australian cities according to Richard Florida’s Creativity Index] within 10 years</td>
<td>Richard Florida’s Creativity index</td>
<td>Concepts contained in Richard Florida’s Rise of the Creative class</td>
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<tr>
<td><strong>Commercialisation of research</strong></td>
<td><strong>Target 4.2</strong></td>
<td></td>
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<td></td>
<td>Increase patent applications to exceed our population share of all Australian applications within 5 years</td>
<td>Number and percentage of patent applications lodged by South Australian residents</td>
<td>Shaping the Future ST10 – A Ten Year Vision for Science, Technology and Innovation in South Australia, March 2004 (The Premiers Science and Research Council)</td>
</tr>
<tr>
<td><strong>Film, television, audio visual and digital content</strong></td>
<td><strong>Target 4.3</strong></td>
<td></td>
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<td></td>
<td>Significantly grow and expand South Australia’s share of the national feature film industry to match our population share</td>
<td>Australian Film Commission Statistics</td>
<td>Creative Industries in South Australia report. Although published in 2005 the final stages of writing the SASP overlapped with the research stages of the CI’s in SA. *Kathy Hayter is a co author of the Creative Industries in South Australia report and was a former Manager, Industry Development of SA Film Corp at the time of writing the creative Industries report</td>
</tr>
<tr>
<td><strong>Target 4.4</strong></td>
<td>Double our share of television production within 10 years</td>
<td>Australian Film Commission Statistics</td>
<td>Creative Industries in South Australia report</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>* Simon Molloy co author of the Creative Industries in South Australia report is an economic consultant for the information technology, telecommunications and creative industries and has written for the Australian Financial Review on telecommunications and information technology industry development and policy.</td>
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<tr>
<td><strong>Target 4.5</strong></td>
<td>Match the Australian average rate of growth in the audiovisual sector within 10 years</td>
<td>Australian Film Commission Statistics</td>
<td>Creative Industries in South Australia report</td>
</tr>
<tr>
<td>Target</td>
<td>Measuring tool</td>
<td>Target informed by</td>
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<tr>
<td><strong>Investment in science research and innovation</strong></td>
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</tr>
</tbody>
</table>
| R&D expenditure | **Target 4.6**  
Exceed the national average of business expenditure on research and development (SA a percentage of GSP) and approach the OECD within 10 years | Business expenditure on R&D | *Shaping the Future STI10 – A Ten Year Vision for Science, Technology and Innovation in South Australia, March 2004 (The Premiers Science and Research Council)* |
| **Providing support infrastructure** | | |
| Internet usage | **Target 4.7**  
Increase the level of internet use in metropolitan and regional South Australia by 20% within 10 years. | Level of use of internet compared with Australia | *Shaping the Future STI10 – A Ten Year Vision for Science, Technology and Innovation In South Australia, March 2004 (The Premiers Science and Research Council)* |
| Cooperative Research Centres, Centres of Excellence and Major National Research Facilities | **Target 4.8**  
Have based in South Australia either the headquarters or a major node of at least 40% of all existing CRC’s, Major National Research Facilities and Centres of Excellence within 5 years. | Participation in Centres of Excellence, Cooperative Research Centres and Major National Research Facilities. | *Shaping the Future STI10 – A Ten Year Vision for Science, Technology and Innovation in South Australia, March 2004 (The Premiers Science and Research Council)* |
| **Developing creative and innovative people** | | |
| Creative education: | **Target 4.9**  
Improve learning outcomes in the arts and other curriculum areas that utilise enterprise education. | Student achievement data collected by schools and preschools using South Austn. Curriculum Stds. and Accountability Framework | *ARTSmart: A strategy for arts education in South Australian schools and preschools 2003-2006  
| | **Target 4.10**  
Improve the connections between educational institutions and industry to enhance creativity and innovation. | Number of enterprise related programs reported in annual school and preschool reports | *ARTSmart: A strategy for arts education in South Australian schools and preschools 2003-2006* |
| | **Target 4.11**  
Increase the number of families participating in the Learning Together and school-community arts and recreation programs | | *ARTSmart: A strategy for arts education in South Australian schools and preschools 2003-2006* |
CS3.5 Pinpointing connections between New Economy and endogenous growth theory and South Australia’s economic development agenda to foster creativity

The following discusses the 2004 SASP strategies and targets in the previous table in relation to theories connected with the New Economy and Endogenous Growth Theory.

Creativity. Influential in the development of the *South Australian Strategic Plan*’s articulation of the importance of creativity to the state’s future economic success was the Economic Development Board’s report *A Framework for Economic Development in South Australia* (2003). Like many other contemporary regional economic reports and policy arguments, the Economic Development Board expressed the importance of creativity to South Australia’s future prosperity. The report states that:

*A culture of creativity can help translate South Australia’s underlying advantages into superior economic performance through the generation of new ideas and the facilitation of innovation, experimentation and the creation of new products and services.* (ibid, 2003, p. 17)

Section 3.5 of the report, although brief, is dedicated to the importance of creativity:

*Why are some places more conducive to innovation than others? It is the case that no amount of R&D or education will suffice unless there is a creative and responsive culture. .... A culture of creativity can help translate South Australia’s underlying advantages into superior economic performance through the generation of new ideas and the facilitation of innovation, experimentation and the creation of new products and services.* (p. 17)

*....Creativity is also recognised as providing vibrancy and encouraging young people to remain in, or go to, a particular location. This particularly applies to highly mobile knowledge workers who are looking for excitement and fun in their working and nonworking lives.* (p. 17)

*....South Australia already has an international reputation as a ‘creative place’ and as a centre for the arts. We must enhance this reputation by facilitating the growth of our creative industries. People attracted to work in creative industries generate diversity and, in turn, attract other creative people to work in knowledge-intensive industries.* (p. 17)
The following strategies and targets were chosen by the SASP team to address these issues.

**Creativity Index**

**Target 4.1** Achieve a ranking in the top three [Australian cities according to Richard Florida’s Creativity Index] within 10 years

Both Richard Florida’s creative class theory and Landry’s talent strategy directly and indirectly stimulated policy discussion in South Australia regarding issues of human and social capital, mobility and globalisation and its influence on South Australia’s ability to attract new businesses and their employees to live in Adelaide and to retain the knowledge workers it has invested in educating.

Within the Improving Wellbeing objective of the 2004 SASP, Target T2.1, creativity plays a role in improving Adelaide’s quality of life ranking on William M. Mercer Quality of Life Index\(^59\). Again the obsession with measurement and comparison to other regions is borne out in the target for Adelaide to be in the top 20 cities in the world within 10 years. Indirectly this connects with the recommendations made by Charles Landry in his *Rethinking Adelaide* report as well as applying Richard Florida’s creativity index within the Fostering Creativity targets. As the 2004 SASP summary states:

> The State Strategic Plan is about improving the wellbeing of South Australians, which means improved prosperity and economic growth, together with better access to important services such as health and education. It also means preserving and improving our environment, promoting innovation and creativity, and extending opportunity to all South Australians. (Department of the Premier and Cabinet 2004, p. 3)

It is apparent that Charles Landry and Richard Florida place considerable importance on the need for a region to recognise and utilise more broadly across the economy the creative capital within the creative industries sectors in order to attract and stimulate economic development.

While further indices were developed by Florida relating to technology, talent and tolerance, such as the Bohemian Index, the Gay Index, the High Tech Index, the Melting

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59 The Mercer Index rankings are based on assessment of an area’s political and social environment, economic environment, socio-cultural environment, medical and health considerations, schools and education, public services and transportation, recreation, consumer goods, housing and natural environment.
Pot Index and the Creative Index enable regions to benchmark their levels of creative capital, they do not provide enough detail for policy makers to adopt them as a means of analysis. Despite Florida’s indices being used by many to measure their score in the competition to be considered the most creative city, Florida’s *Rise of the Creative Class* thesis does not provide policy makers a clear understanding of how creativity works, just how it is embodied in certain occupations. Nor is there any explanation of how creative skills and occupations are formed, or how tacit and implicit knowledge is transferred and translated into IP or those goods and services for which the most critical input was creativity. Despite their groovy names, Florida’s indices and policy makers’ use of them within their regional analysis tools are merely a collection of data sets emulating the empiricist tradition of policy analysis.

Edward Glaeser’s (2004) review of Richard Florida’s *The Rise of the Creative Class*, points to the fact that Florida’s thesis doesn’t tell us anything particularly new about the fact that idea generation is fast becoming more significant economically than it has been in the past. Glaeser (2004) goes on to point to a cohort of Florida’s academic predecessors across an array of disciplines, such as Adam Smith, Alfred Marshall, Jane Jacobs, Paul Romer and David Brooks, who have all observed and written about the importance of knowledge creation, idea and creativity generation in urban areas, and the importance of lifestyle in attracting highly skilled human capital to a region.

Whilst Glaeser (2004) does not disagree with Florida’s general observations, he struggles to reconcile Florida’s interpretation of data via his ‘creativity index’ to prove that there is a distinction between the notion of ‘creative capital’ and the ‘mainstream urban view that human capital generates growth.

Similarly Glaeser (2004) is not convinced that diversity and Bohemianism predominantly drive urban and economic development, and returns to the fundamental premise that creativity matters and highly skilled human capital and the transmission of ideas in urban areas is what drives economic growth. He goes on to suggest that ‘mayors are much better served by focusing on the basic commodities desired by those with skills, than by thinking that there is a quick fix involved in creating a funky, hip, Bohemian downtown’ (p. 5).
As an aspect of this research project was to work with the DPC/SASP team on an ARC grant, I was in a position to observe firsthand the difficulty the SASP team had with working with the existing data sets available from the ABS as they did not easily translate into Florida’s indices. It became obvious that additional data sets would be required involving considerable time and investment in order to establish a true measure against Florida’s creativity index. This is why this target was removed from the 2007 SASP.

### Commercialisation of research

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<th>Target</th>
<th>Description</th>
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<tr>
<td>4.2</td>
<td>Increase patent applications to exceed our population share of all Australian applications within 5 years</td>
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Compared to the focus of the other targets under the heading of Creativity, target 4.2 appears to be slightly misplaced – should it not sit under investment in science and innovation? However when considered in relation to the priority actions identified to achieve the creativity targets target 4.2’s position and inspiration becomes less ambiguous. Although I have not been able to find it stated explicitly in any SASP or related agency reports, I have made an assumption that the Blast Theory ‘Thinkers’ residency and target 4.2 are linked via the priority action of conducting an audit of digital content and new media activities in South Australia as a starting point for measuring and targeting development in the sector.

Stemming from the arts practice roots of the many Blast Theory observations regarding the spread of new technology is the exponential rate of growth in the ownership of mobile phones within most economies across globe. As cited in a article published in [receiver](#) a Vodafone sponsored web based gaming journal, Matt Adams (2004) recognises ‘the long term challenge is to transfer these exploratory games onto a mass-market platform in which they can run indefinitely and thus create a diverse cultural life on mobile devices that is commensurate with their significance as social technologies. To provide them with a research base Blast Theory have been collaborating with the University of Nottingham for over ten years and the dialogue between scientific and artistic research has had a significant influence on their practice and the their ability to engage with audiences/participants of and in their work and through new technology.
Blast theory has now established a commercial arm of their practice with their entrée into the commercial sector supported by companies including Siemens, Motorola, and Nike. For the pragmatists within the stakeholder group supporting the Blast Theory residency, the fact that these multinational brand companies supported Blast Theory would have influenced their decision to support the groups experimental performance based work. It is this praxis of art practice, science, technology and research and opportunities to inform South Australia’s digital media sector about commercialisation of research that is likely to have convinced policy makers and government agencies to invest in the residency and for target 4.2 to be placed where it is

The report stemming from the residency acknowledged ‘the relationships between art and society and how culture is being seen as increasingly important in economic development’ (Blast Theory 2004). Despite this statement, the report did not develop this observation further resulting in a document that was conceptually, theoretically (and physically thin). The most striking statement made in the report was the need for Adelaide to be brave, open minded and intellectually enquiring if ‘we are serious about fostering risk, innovation and creativity. This they asserted included supporting major multi partner collaborations between artists and scientists and companies.

The report summarised the kind of strategies that would give Adelaide the capacity to build a thriving new media economy, arts community and research environment (Blast Theory 2004, p.21) namely:

- fostering a vibrant, local creative community through seed funding
- government support to build relationships between art, science and commerce
- exporting Adelaide’s creativity around the world
- creating a broad commitment to innovation and creativity in the widest sense

A significant investment in translating Blast Theory’s residency into instrumental value is DFEEST’s contribution to the Trans Tasman Commercialisation Fund (TTCF) a joint initiative of South Australia’s three universities - the University of Adelaide, the University of South Australia and Flinders University – together with Monash University in Victoria and the University of Auckland in New Zealand. This is in addition to private investment made by WA-based industry superannuation fund Westscheme with a
contribution of $30m over five years in the fund. The State Governments of South Australia and Victoria will each contribute $1.25m and the New Zealand Government will contribute $NZ1m. The fund aims to capture ideas and the thousands of hours of research taking place in our universities, and develop them into new businesses and products, with commercial returns for South Australia.

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<th>Film, television, audio visual and digital content</th>
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<td><strong>Target 4.3</strong></td>
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<td><strong>Target 4.4</strong></td>
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One of former Premier Don Dunstan legacy’s to the creative sector was the South Australian Film Corporation created in 1972, the first such agency in Australia. Eager to be considered as continuing Dunstan’s strong advocacy and support for the arts, the current Premier, Mike Rann (and Don Dunstan’s former Media Advisor) reiterates at many arts functions that he was greatly influenced by Dunstan’s interest in and support for the arts, in particular the film industry. The EDB’s report refers to South Australia’s ‘creative’ strengths, and states:

South Australia is known internationally in the arts for the strength of its creative output, such as the biennial Adelaide Arts Festival and award-winning films. The film and digital media industries are continuing to raise the State’s profile for delivering world-class services and products. (Economic Development Board 2003, p. 9)

Entwining the generation of intrinsic and instrumental creative and cultural value Canadian director, producer, teacher and mentor in the field of digital documentary media production, Peter Wintonick’s Thinkers’ residency looked to build a new screen culture in South Australia. Peter’s mandate was to observe all aspects of the state’s screen culture – the screen industries, media education and community media practice.

Partners and Sponsors for the residency were the Department of the Premier and Cabinet; South Australian Film Corporation; Department of Education And Children’s Services; Flinders University; University of South Australia; Arts SA; Adelaide Film Festival; Australian International Documentary Film Conference. The Objectives of his residency were:

- to contribute to a plan to develop South Australia’s digital documentary industry;
- to help the State create global networks in the film industry;
to provide advice on education policy, including curricula; and
to strengthen the knowledge and skills of South Australian students and educators.

Unlike Charles Landry and Blast Theory, Wintonick’s residency occurred after the release of the 2004 SASP. However I have assumed that despite this the targets aimed at addressing the areas of film, television, audio visual and digital content were informed by a personal passion of the South Australian Premier, Mike Rann and discussions with Peter Wintonick in the lead up to his thinkers residency.

Wintonick states his goal was ‘to get the big picture and to place my suggestions, ideas and recommendations into a comparative mix ... My thinking is about institutions, systems and ideas.’ (Wintonick 2006, p. 43). This causes for reflection of Granovetter’s argument regarding economic action being inherently enmeshed in social relations including social ties, cultural practices and political contexts (Granovetter cited Woolcock 1998, , p.161). To this end Wintonick’s report focused on four intersecting areas, or spheres of interest: The Educational Sphere; The Screen Industries Sphere; The Community Media Sphere; The Infrastructure Sphere.

Wintonick’s focus and objective within the educational sphere was not just to develop human capital for the digital media sector, but to also educate future audiences. To this end Wintonick provided strategic advice about current and future educational policy, programs and pathways relating to screen media. Like the reports of previous ‘thinkers’ Wintonick noted the lack of connection, coordination and focus across sectors, citing a lack of implementation of media rich curriculum across different levels of education (Wintonick 2006, p. 25).

Like broader arts advocacy arguments, Wintonick argued that Media Studies within the SACE framework is not as valued as traditional subjects; positing that media studies are often viewed as an add on, or as a specialist area, whereas it should be seen as cross-curricular’ (ibid: p.25). The value of engaging with digital media and the screen industry therefore depends on the context in which the content is created and the audience to whom it is directed.

Wintonick’s observations and recommendations engage with elements of discourse surrounding the importance of knowledge in the ‘New Economy’. Similar to Robert
Reich’s proposition that ‘great ideas are the new currency of the realm [and] information technology is the bank that circulates the coins ever more efficiently’ (Reich 2001, p. 53), Wintonick states in his ‘Thinkers’ report: ‘globalisation, advancements in digital technologies and the development of ‘knowledge economies’ demand inclusive societies that build capacities for critical and creative thinking’ (ibid: p.31).

Developing media literate students and citizens can only but encourage innovation, and thus create new jobs vital for economic growth where creative capital is paramount, where knowledge is currency’ (ibid, p.31). Wintonicks embrace of the themes of the New Economy discourse also includes themes of inequality, public/private in which he inter-relates the screen industries, media education and community media spheres, acknowledging that Community Media can help bridge the gap of exclusion and empower the powerless, shedding light on both the dark and light places. Acknowledging the instrumental economic value derived from investing in emergent digital and community media projects, he suggests ‘community media can be agents for personal and collective story-telling outside the professional circles’ (ibid, p.87).

Wintonick’s ‘essential guiding philosophy is that a holistic approach is required to create long-term solutions to the challenges South Australians face in their engagement with the screen (ibid, p.13). Just as the Creative Industries in South Australia report had identified, Wintonick too, considers animation, games and new platform media most likely to be economic sustainable. Wintonick calls for a versatile new set of funding instruments, and a new generation of public funding initiatives to be embraced and developed, favouring screen innovation and the development of human creative capital (ibid, p.47).

Wintonick recognises that building human capital not just in the screen industries but across the creative industries will be an important factor in the screen industries future in South Australia. He observes however, that other parts of SA’s industry such as filmmakers, graphic artists, editors, camerapersons, web designers, composers, digi-doc makers, need to better equip themselves to take South Australia’s screen industries ‘down the proper paths to sustainability five years from now’ (ibid, p. 45). To support his proposal for a holistic approach to developing the screen industries in South Australia he acknowledges the important influence of social, cultural and economic investment decisions regarding infrastructure that would enable the realisation of many of Wintonick’s recommendations.
Drawing the SASP targets and Wintonick’s aspirations for the development of South Australia’s digital and screen culture the following investments are reported in the Department of the Premiers and Cabinets’ 2005 Annual report. Through Arts SA they supported the South Australian Film Corporation above their existing budget with $500,000 of film production incentives, e.g. a rebate to producers for wages paid to local labour

- $250 000 for script development for experienced producer-director-writer teams that already have scripts to the second-draft stage
- hosted the 2005 Adelaide Film Festival and Australian International Documentary Conference.

With regard to developing the skills base of the sector DPC’ 2005 Annual report states that it invested in a ‘report commissioned to assess South Australia’s Creative Industries that found that sectors founded on screen-based digital technologies, such as special effects and computer games, were identified as offering the greatest growth potential’. The DTED Annual Report for the same period stated that the agency: ‘undertook a Creative Industries study in conjunction with Arts SA to highlight opportunities for and barriers to exports, and to identify actions that industry and government can take in response’(2005, , p. 19).

This suggests that these initiatives signify a creative quick fix approach to achieving the SASP objective of fostering creativity. These targets under the heading of creativity are not new strategies and they certainly do not exhibit South Australia’s capacity ‘to do things differently’.

As discussed in Section 1 of this thesis, Pratt’s highlights the interrelationships that exist within the Cultural Industries Production System, and suggests that even the strongest industries may be dependent upon the viability of weaker industries for vital skills, products and services’ (Pratt 1997). Just as Reich (2001) notes that creative geeks cannot drive commercialisation of their ideas in their own right, nor can digital creatives produce innovative and differentiated digital content and products without leveraging the creative skills and resources of other sectors in the creative industries and beyond. To do this the developing and supporting the creative capacity of Reich’s diverse array of ‘creative geeks’ needs to be given significantly more importance in the Fostering Creativity targets.

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Reich refers to creative geeks as dreamers and visionaries, such as artists, inventors, designers, engineers, financial wizards, scientists, writers or musicians (Reich 2001).
CS3.6 Investment in science research and innovation

| R&D expenditure | Target 4.6 | Exceed the national average of business expenditure on research and development (SA as a percentage of GSP) and approach the OECD within 10 years |

The prologue to the Fostering Creativity targets purports that ‘creativity and innovation are now seen as the most important factors in economic growth and prosperity. They are particularly important in advanced societies because of the contribution they make in meeting broader social, economic and sustainability objectives’ (ibid, p.40).

The Department of Further Education, Employment, Science and Technology’s (DFEEST) Annual Report of 2005 outlines the agency’s activities in relation to investment in innovation within the 2004 SASP targets. As within the arts policy environment, festivals and events appear to be a popular means by which policy makers seek to demonstrate their commitment to an agenda. In order to cultivate an innovative culture in South Australia, the following activities were reported as investments in innovation:

- *Australian Innovation Festival; Adelaide Festival of Ideas; National Science Week; Premier’s Science Excellence Awards; Tall Poppy Campaign; Thinkers in Residence; IEEE International Symposium on Information Theory; Premier’s Industry Awards for Science and Mathematics Teachers; Australian Science and Mathematics School Scholarships*

- *New Product Innovation Awards* with 30 innovative companies representing a diverse range of industries participating

- *The Premier’s Science and Research Fund* – eight projects received $5.2 million in State government support through the fund in the 2004–05 round to support projects with an estimated total value of $20.1 million.

- *$4 million Centre for Innovation* – innovation support through a range of advanced tools and techniques; commercialisation support; collaboration with research organisations, industry and service providers

Observing the moderate size and the breadth of its interests in relation to the relatively limited level of resources accessible to them, the Science & Innovation and Information Economy Directorates point out that they have developed close working relationships with many stakeholders in order to implement and act on policy. This includes links across DFEEST in the skills and training area, and also wide ranging constructive
relations with other government agencies such as DTED\textsuperscript{61}, PIRSA/SARDI\textsuperscript{62}, DAIS\textsuperscript{63}, DEH\textsuperscript{64} and DECS\textsuperscript{65}, as well as BioInnovation SA and Playford Capital. They also cite that close working relationships exist with the three state universities, the CSIRO\textsuperscript{66} and the DSTO\textsuperscript{67}.

Despite observations and concerns raised in numerous consultation sessions and reports regarding the fragmentation of government policies and programs, at the time the 2004 SASP was released both DTED and DFEEST claimed aspects of the state’s innovation mantle. DFEEST investment is implemented through the Science and Innovation Unit, and DTED’s investment is via the Manufacturing and Business Services Division. As part of the DTED restructure in 2004, Innovate SA was formed as separate legal entity, supported by the Department of Trade and Economic Development and a Board of Directors. Innovate SA is the bringing together of the SA Centre for Innovation, Venture Capital SA, the Growing Global Companies Program and Business Sustainability Alliance.

As was discussed in Section 3 of this thesis; Regional Innovation System literature identifies three differing types of knowledge bases: the synthetic (engineering based), the analytical (science based), and the symbolic (creative based) (Sporer and Bhatia 2004, p.2, 4). The omission of acknowledging the role of the design disciplines or design thinking\textsuperscript{68} as a significant influence in the innovation process and therefore its role in fostering creativity highlights the SASP’s limited conceptualisation of where and how the development of creativity could occur in order to stimulate economic growth.

\textsuperscript{61} Department of Trade and Economic Development (DTED)
\textsuperscript{62} South Australian Research and Development Institute (SARDI). SARDI is part of Primary Industries and Resources South Australia (PIRSA)
\textsuperscript{63} Department for Administrative and Information Services (DAIS)
\textsuperscript{64} Department of Environment and Heritage (DEH)
\textsuperscript{65} Department of Education and Children’s Services (DECS)
\textsuperscript{66} Commonwealth Scientific and Industrial Research Organisation (CSIRO) is Australia’s national science agency
\textsuperscript{67} Defence Science and Technology Organisation (DSTO) is part of Australia’s Department of Defence
\textsuperscript{68} Design thinking is considered as an integrated view of design as a problem-solving process that involves players from multiple disciplines.
In South Australia historically agencies charged with the innovation agenda have viewed innovation through a very narrow lens, predominantly focusing their efforts on very linear conceptions of the innovation process and the contexts and industries in which it is applied, such as manufacturing, the ‘bio-tech’ sector and technology based industries. In 1997 the Commonwealth Government released its industry policy statement, *Investing for Growth: Action Agendas*. The primary focus of *Action Agendas* was to address the impediments to specific industry sectors achieving their growth potential. In particular the flagging industries of textile clothing and footwear, and furniture manufacturing indicated that better utilisation of design would enable many businesses to innovate and develop their product offerings in an increasingly competitive global market (Department of Innovation 2009).

Despite this clearly articulated need to embed design into the production function, rather than see it as an optional extra, prettying up an engineering project, securing support to implement programs that aimed to facilitate the creative sectors engaging with manufacturers proved difficult to secure funding. On the one hand government agencies supporting the manufacturing sector viewed working with the creative sector too risky; and on the arts/creative funding side, working with the commercially orientated manufacturing sector was seen as outside of the arts funding paradigm. This is despite the fact that the creative enterprises seeking to work with manufacturers were well regarded professional designer/makers seeking to develop new market opportunities.

**CS3.7 Providing support infrastructure**

**Internet usage**

**Target 4.7** Increase the level of internet use in metropolitan and regional South Australia by 20% within 10 years

Freeman (2001) alerts us to the confusion between *information* and *knowledge* that has occurred in the midst of the enthusiastic uptake of new digital technologies and the advocacy based evidence that purports ICT’s fundamental importance to economic growth.

As Robert Reich observed ‘information technology is the bank that circulates the coins ever more efficiently’ (Reich 2001, p. 53). DFEEST’s Information Economy (ICT) Unit seeks to do just that, by increasing industry and business use of ICT with a special focus
on establishing State-wide broadband infrastructure, e-business capability and ICT industry support. DFEEST’s remit is broad; including vocational education and training to supporting innovation within the science and information technology sectors. DFEEST hosts two overlapping directorates that specifically focus to support and develop science and technology sectors. The Science and Innovation, and Information Economy Directorates are charged with the delivery of the major South Australian STI initiatives the Science and innovation Unit and the Information Economy - ICT Unit.

Supporting the SASP clear commitment (and bias) to the importance of the state’s science and technology sectors to the economy, the strategy document STI10 - Mapping the Ten Year Vision (2004) outlines South Australia’s (DFEEST’s) key aspirations, strategies and performance targets for the next ten years. Three strategies underpin the delivery of the STI10 Vision:

- building capability and infrastructure
- momentum through collaboration
- developing people and communities.

The document states:

*The State Government is committed to delivering this future through an integrated Science, Technology and Innovation Vision – STI10. We want to generate great ideas and valued knowledge, grounded in innovative research.*

The strategies and investments aimed to foster creativity made by DFEEST and DTED are summaries in their annual reports and consisted of:

- funding of $150,000 for three years (2005-08) to employ export specialists to work with the ICT sector; an ICT focused business development program for emerging digital content companies
- a technical skills training program to assist companies in the digital content industries address shortages in specialist skills; and a talent attraction program aimed at attracting key recruits from overseas
- working with Cine.net, a super-fast broadband communication network that equips the SA screen media industry to be globally competitive
- *Growing Global Companies program* to support young companies’ transition to sustainable export growth business based on innovation
- *Technical Skills Training program* for skill development for digital content companies
- **Specialised Talent Attraction Program** to assist export companies attract key creative staff to Adelaide

- Broadband SA - extend affordable broadband services to all South Australians by 2008. It includes the Broadband Development Fund (BDF) comprising $7 million (2003-08)

- ICT Research Projects

- Digital Bridge Unit

- connectivity: access to affordable and effective digital technology for all people

- capacity: the development of relevant skills and interest in using ICTs

- content: ensuring that the specific needs of community sectors and individuals are met by available on-line information and services.

- support for ICT Council

- ICT Skills Careers promotion stand at the Only Way to Live Expo

- mentoring program for females about to graduate from ICT studies.

- funding support to Women in Innovation and Technology.


The 2004 SASP Fostering Creativity objectives aimed to respond to the digital revolution discourse therefore providing further evidence of a value bias for creativity expressed through the digital technology sectors.

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<th>Cooperative Research Centres (CRC’s), Centres of Excellence and Major National Research Facilities</th>
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<tr>
<td><strong>Target 4.8</strong> Have based in South Australia either the headquarters or a major node of at least 40% of all existing CRC’s, Major National Research Facilities and Centres of Excellence within 5 years.</td>
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In strategies to stimulate the development and funding of CRC’s Constellation SA has taken over to a major degree the role of the SABV2010 clusters program, but has sought to do so with a broader remit focusing on the end user and desired outcome by facilitating and strengthen collaboration between researchers, within and across disciplines and support the development of more effective interface between policy, research, and the end users in the community, rather than focusing the on specific industries and supply chains.

Clearly there is a demonstrated long term objective and significant investment in Constellation SA in order to achieve Target 4.8 - *Have based in South Australia either the headquarters or a major node of at least 40% of all existing CRC’s, Major National Research Facilities and Centres of Excellence within 5 years.*
Facilities and Centres of Excellence within 5 years. Despite the summary of Constellation SA highlighting $3 million dollars being invested in ‘five innovative science and research projects’, the broader objective of Constellation SA is stated to enhance the State’s already considerable investment in R&D by strengthen collaboration between researchers, within and across disciplines in order that it might foster innovations within research practices, knowledge domains, policy and the development of products and services that address the State’s environmental, social, and economic challenges.

Whilst the inclusion of Cooperative Research Centres (CRC’s), Centres of Excellence and Major National Research Facilities could include those focusing on the social sciences, comparable state government investment towards HASS sector CRC’s is highly unlikely as the document cited as informing this target is *Shaping the Future STII0 – A Ten Year Vision for Science, Technology and Innovation In South Australia*, (2004), emanating from DFEEST an agency with a mandate to focus on innovation within the fields of science and technology.

Significantly there is very little attention paid in the Fostering Creativity targets or the discourse informing them of the importance of creativity to achieve social outcomes that reinforce regional economic growth by building stronger and more cohesive communities. The discourse on social capital that appears to have been adopted within South Australia’s economic development policy clearly focuses on its role within the context of narrow industry and production function parameters, rather than a more broadly conceptualised approach whereby the make up of the collaborative team and nature of the effort is centred around addressing a community or environmental need rather than being driven by an industry sector seeking to drive the market.

As is indicated by the language used in the SASP targets, most innovations are recognised within the realms of science and engineering that support the development of new technologies and manufactured products. Potts suggests that this heavy focus on innovation as a technical search and discovery process by firms ‘largely ignores the more complex interactions between producers and consumers, as well as subsequent phases beyond technology innovation, such as adoption and adaptation of a novel product or
service to human lifestyles, along with its retention and normalisation by a population of carriers (Potts 2007, p.9). Clearly this list of relationships and industry typologies within which they reside indicates a strong bias towards innovation being conceptualised as part of the fields of science and information technology and valued for its instrumental role in achieving the state’s economic objectives.

**CS3.8 Developing creative and innovative people**

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<th>Creative education</th>
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<td><strong>Target 4.9</strong></td>
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<td><strong>Target 4.10</strong></td>
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<td><strong>Target 4.11</strong></td>
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Creativity is a process undertaken by people, not a product in its own right, and individuals and groups apply creativity across a breadth of disciplines and in numerous physical and social contexts. Loosely connecting with human capital and innovation theory, the SASP overview asserts the importance of innovation, and the power of the people.

*The people who live and work in South Australia are fundamental to its future success. Investment in their education and training is paramount to the success of the Plan and the State’s long-term future. It will benefit us as a community to do everything we can to identify, harness, nurture, attract and retain our talent to take advantage of opportunities as they arise.*

*This will undoubtedly lead to greater innovation, new opportunities and South Australia’s enhanced position in the world. (SASP 2004, p. 12)*

This statement in the SASP concurs with Paul Romer’s (1993) argument that ‘an economy with a larger total stock of human capital will experience faster growth’ (1993, p. 99). However, this poses questions such as whether investment in the education system in South Australia as it currently exists, with a bias to intellectual and capital investment in maths, science and technology, genuinely provides the means for using knowledge creatively which, as Seltzer and Bentley (1999) argue, is central to realising economic and social value.
Clearly drawing from the New Economy discourse focusing on the importance of knowledge production and transfer to endogenous economic growth, the EDB states that education is a ‘key cultural value’ (2003, p.viii). However the following statement demonstrates a bias towards the technology based sectors as the primary focus in their economic development agenda.

*Initiatives for enhancing the mathematics and science capabilities of young South Australians and fostering a spirit of enterprise and creativity are critical to the State’s capacity to capitalise on the investments that will be made in our science and infrastructure base.* (Economic Development Board 2003, p. 16)

Commonly considered to be one of the best ways to prime a population’s aptitude for innovation is the provision of an education system within which maths and science skills are preferred over humanities subjects. As Stoneman (2007) and Howard (2008) assert (Figure 6.4), art and creative practices (soft innovation) as well as science, technology and engineering (hard innovation) both contribute in varying degrees to industrial products, processes and commercial services; creative products and services including film, music, games and multimedia products; and cultural products and performance.

This suggests that the differing knowledge taxonomies of science, the humanities and the creative industries should be considered of equal value within a region’s innovation system.

The targets addressing the objective of developing creative and innovative people appear to focus on fostering creativity within school aged children. Whilst the existing three targets are admirable they are not specific enough in their ambition.

Interestingly the ArtSmart program was not included as on of the targets in the SASP. This combined with the omission of acknowledging the importance of creative sector education within tertiary education as well as the importance of spaces for less formal information and knowledge exchange (like the Lunar Society -1765-1813) ignores a significant argument within new growth theory of the importance of developing human capital and enabling both formal and informal means of knowledge and skill dissemination within industries and across knowledge typologies in order to stimulate innovation.
CS3.10   Conceptual bias or creating policy convenience?

Reflecting upon the Fostering Creativity targets, one cannot help but be struck by the fact that the Economic Development Board’s *Framework for Economic Development* called for a fundamental shift away from the industry-based approach of government economic plans (2003, pp. 9-18). Yet, seven of the eleven targets in the 2004 SASP focus either on the application of creativity through scientific and manufacturing innovation, or on the digital media and film sectors, clearly demonstrating an industry focus and a value bias towards creativity expressed through science and technological investigation and innovation.

As articulated in the 2004 SASP, achieving the state’s economic goals are not the responsibility of the government alone. ‘Policies, strategies and programs intended to develop the skills of the workforce are not the sole responsibility of the education and training system. Rather, business, trade unions, individuals, communities, government agencies and the education and training system have a mutual interest in creating a world class workforce in South Australia’ (Department of Further Education 2003, p.5).

Like the 2004 SASP, the report also states the need ‘to do things differently’ –‘to meet the needs of these new times we require a coherent set of policies and programs to facilitate skills formation. …‘We need to look at things differently; to approach South Australia’s workforce development from a new and creative perspective’ (ibid, p.3).

**Connecting strategies, targets and actions and measuring outcomes.** Interestingly, in the development and structuring of the SASP, the setting of strategies and targets appears to have been determined by the target’s ability to be measured, rather than a need to achieve the broader objective. Through a series of community and industry consultation meetings, targets and priority actions put into place were specifically required to be ‘SMART’ targets; meaning that they needed to be Specific, Measurable, Achievable, Relevant and Time-bound. This approach follows what Parsons (2002) observes of the practice of evidence based policy making.

He states: *In EBPM what is to count is what can be counted, measured, managed, codified, and systematised. Evidence Based Policy was from the outset, a magnificent misnomer.* (p. 57)
He suggests that the process should be called evidence controlled, managed and legitimated policy, rather than evidenced based or, indeed, informed policy’ (Parsons 2002, p. 57).

Highlighting what he considers the main problem with EBPM he states:

*The main problem with EBPM, qua ‘what works’, is that it is rooted in a wholly managerialist and mechanistic way of thinking about policy making. This has meant that the government’s call for a policy making process which is evidenced based inevitably narrowed and constrained the way in which ‘evidence’ has been conceptualised and operationalised. (ibid., p. 57)*

Table CS3.6 (Attachment 2) provides a summary of the 2004 SASP Fostering Creativity and Innovation objectives strategies and targets and the articulation (espoused values) of the important role creativity has as a contributor to the state’s economic development and sustainability. The plan was influenced by the New Economy discourse, and it is interesting to ascertain:

1. whether the objectives stated in the plan (artefact) express a broad or narrow view of the application of creativity and innovation in the economy
2. the basic assumptions regarding the value derived from specific forms of creativity, for example, intrinsic, instrumental or institutional value
3. whether the policy interventions and targets are innovative or path dependent.

An examination of the table illustrates the nature of the discourse that has influenced and expresses the focus of the writers. The following points highlight significant omissions, oversimplification and biases within the Fostering Creativity objectives and targets in reference to significant arguments within new growth theory and cultural theory and the assertion of the importance of creativity to economic development.

- The objectives are described with words to do with growth: grow, exceed, double, increase, a core concept of neoliberal philosophy.
- There is a clear focus some would say bias towards creative activity within the audiovisual, film and Television sectors – a particular interest of the Premier Mike Rann.
- None of the targets actually refers to arts accomplishments, using instead words such as patents, headquarters, education, industry, production, words from economics. Nowhere is there a mention of music, dance, art or literature; key ingredients in film, television and digital media production.
It is clear there is a contradiction between the Fostering Creativity targets for 2004, it is clear that the Economic Development Board’s Framework for Economic Development that called for a fundamental shift away from an industry based approach to government economic plans (2003, pp. 9-18). Seven of the eleven targets in the 2004 SASP focus either on the application of creativity through scientific and manufacturing innovation, or on the digital media and film sectors. Clearly this indicates a value bias towards creativity expressed through science and technological investigation and innovation.

This limited appreciation of the multiple forms of value that creativity can contribute to the economy is articulated through the limited targets presented in the 2004 SASP.

Interestingly, in the development and structuring of the South Australian Strategic Plan, the setting of strategies and targets appears to have been determined by the target’s ability to be SMART⁶⁹, rather than being driven by a focus on achieving the objective of fostering creativity that stems from a diversity of industries and contexts across the economy.

There is little indication of any understanding of the wider array of creative capital available in the state and able to contribute individually and collectively to addressing the social, economic and environmental needs of the state now and into the future.

**CS3.11 Has South Australia developed the capacity ‘to do things differently’ in fostering creativity since the 2004 SASP?**

**The 2007 South Australian Strategic Plan**

The following explores whether the 2007 SASP demonstrates the capacity to do things differently or if it actually demonstrates policy path dependency and a lack of policy innovation in attempts to foster creativity.

In early 2006 a SASP Update Team and eleven working groups were formed in order to draw on both the community engagement outcomes and the recommendations of the SASP Audit Committee Progress Report 2006 to present options for refining existing targets, proposing new targets, and to formulate target statements for the 2007 South Australian Strategic Plan.

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⁶⁹ The SMART targets acronym stands for Strategic, Measurable, Specific, Realistic and Targeted.
Some statements of note in the *South Australian Strategic Plan* 2006 progress report are:

*The synergies and connections between mutually reinforcing targets across the various objectives in SASP should, once again, be developed further. Outcomes in public health for example are strongly connected to key environmental issues… Public health outcomes are also strongly related to growing prosperity.* (p. 99)

*… Reading between the lines of SASP, it is reasonably clear that education, skills, knowledge and innovation are seen as vital to both economic development and building communities and opportunity. These links need to be strengthened in the next version of SASP.* (ibid.)

Table CS3.3 is a summary of the changes recommended by the audit committee to the Fostering Creativity targets.

**Table CS3.3  Summary of changes recommended to the Fostering Creativity targets**

<p>| | |</p>
<table>
<thead>
<tr>
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<tbody>
<tr>
<td>T4.1</td>
<td><strong>Creativity Index</strong>&lt;br&gt;Due to the unavailability of Australian data on Richard Florida’s Creativity Index, drop the target or identify an alternative target and data source</td>
</tr>
<tr>
<td>T4.2</td>
<td><strong>Commercialisation of Research</strong>&lt;br&gt;Seek a more comprehensive measure and set a target related to the incidence of patent applications made globally by South Australians</td>
</tr>
<tr>
<td>T4.3</td>
<td><strong>Film Industry</strong>&lt;br&gt;Strengthen the target to ‘achieve and maintain a 30% share of the national feature film industry’ and add a 10-year timeframe</td>
</tr>
<tr>
<td>T4.4</td>
<td><strong>Television Production</strong>&lt;br&gt;Clarify that the target relates to ‘Australian’ television production</td>
</tr>
<tr>
<td>T4.5</td>
<td><strong>Audio-visual</strong>&lt;br&gt;Use the definition of the audiovisual sector’ in the Creative Industries in South Australia 2005 report and define the target in terms that are not relative to the rest of Australia (for example, ‘doubling the 2003-2004 turnover of the South Australian audiovisual sector…’)</td>
</tr>
<tr>
<td>T4.6</td>
<td><strong>Internet Usage</strong>&lt;br&gt;Increase the 20% target to a more ambitious level, for example by setting the Australian average as the target</td>
</tr>
<tr>
<td>T4.7</td>
<td><strong>Research Centres</strong>&lt;br&gt;Add targets and measures of the number and market capitalisation of listed SA technology companies&lt;br&gt;Adopt the following target from STI10 (the Government’s vision statement for science, technology and innovation) as an additional target in SASP: ‘Research grants and income—South Australia to secure Commonwealth resources 25% above per capita share within 10 years’</td>
</tr>
<tr>
<td>T4.8, T4.10 and T4.11</td>
<td><strong>Creative Education</strong>&lt;br&gt;Remove these targets unless the community consultation process reveals support for their retention</td>
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</table>

The Premier states in his opening message of the revised 2007 *South Australia Strategic Plan*:

*It is a plan for everyone – for business, for the community… In many ways, I regard the guiding thread of the plan to be ‘a knowledgeable community… [and that] Innovation and creativity must be at the centre of everything we do.* (Government of South Australia 2007)
Similar to the 2004 SASP, the six objectives of the 2007 South Australian Strategic Plan are:

Objective 1  Growing prosperity  
Objective 2  Improving wellbeing  
Objective 3  Attaining sustainability  
Objective 4  Fostering creativity and innovation  
Objective 5  Building communities  
Objective 6  Expanding opportunity  

Two working groups were convened for the Fostering Creativity target, one focusing on innovation, the other on creativity. The innovation working group met twice in September; the creativity working group met once in October. Notably Objective 4 of the 2007 revised South Australian Strategic Plan is now Fostering Creativity and Innovation which the working groups considered better reflected the intention of the objective and targets set in 2004. The preface of the Fostering Creativity and Innovation objective states:

"South Australia has a reputation for innovation in science and in the arts. We understand that our prosperity depends on the imagination, courage, talent and energy of our citizens. We want to reaffirm South Australia as a place that thrives on creativity, knowledge and imaginative thinking. This capacity to do things differently will determine whether we can achieve all our goals for the state’s future." (ibid., 2007, p. 7)

### Table CS3.4  2007 SASP targets

<table>
<thead>
<tr>
<th>2007 SASP targets</th>
<th>Goal</th>
<th>Strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td>T4.1 Creative industries (new): increase the number of South Australians undertaking work in the creative industries by 20% by 2014.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>T4.2 Film industry (existing – modified): double the number of feature films produced in South Australia by 2014.</td>
<td>supporting the revival of a world-class South Australian film industry, and the most vibrant film festival in Australia</td>
<td></td>
</tr>
<tr>
<td>T4.3 Cultural engagement – institutions (new): increase the number of attendances at South Australia’s cultural institutions by 20% by 2014.</td>
<td>establishing the Regional Centre for Culture program to further improve and promote the arts in regional areas *refurbishing the Adelaide Festival Centre</td>
<td></td>
</tr>
</tbody>
</table>
| T4.4 Cultural engagement – arts activities (new): increase the number of attendances at selected arts activities by 40% by 2014. | *drawing new audiences to the creative arts in South Australia, including by turning the Adelaide Fringe and WOMADelaide into annual events  
*supporting the strongest youth arts sector in Australia  
bringing a new international guitar festival and similar major cultural events to the state  
funding a biennial Festival of Ideas  
ensuring the Adelaide Festival continues to be Australia’s premier arts and cultural festival |
<table>
<thead>
<tr>
<th>2007 SASP targets</th>
<th>Goal</th>
<th>Strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td>T4.5</td>
<td>Understanding of Aboriginal culture (new): Aboriginal cultural studies included in school curriculum by 2014 with involvement of Aboriginal people in design and delivery.</td>
<td></td>
</tr>
<tr>
<td>T4.7</td>
<td>Business innovation (new): the proportion of South Australian businesses innovating to exceed 50% in 2010 and 60% in 2014.</td>
<td></td>
</tr>
<tr>
<td>T4.8</td>
<td>Broadband usage (existing – modified): broadband usage in South Australia to exceed the Australian national average by 2010, and be maintained thereafter.</td>
<td></td>
</tr>
<tr>
<td>T4.9</td>
<td>Public expenditure (new): by 2010, public expenditure on research and development, as a proportion of GSP, to match or exceed average investment compared to other Australian states</td>
<td>developing alliances between government, industry and education sectors for increased research, commercialisation and innovation, and investing millions of dollars in research infrastructure as part of the National Collaborative Research Infrastructure Strategy</td>
</tr>
<tr>
<td>T4.10</td>
<td>Australian Government resources (new): secure Australian government research and development resources to 10% above South Australia’s per capita share by 2010 and increase this share to 25% by 2014, for both public and private spheres.</td>
<td></td>
</tr>
<tr>
<td>T4.11</td>
<td>Business expenditure (existing – modified): increase business expenditure on research and development to 1.5% of GSP in 2010 and increase to 1.9% by 2014.</td>
<td>supporting innovative industry through initiatives such as the Centre for Innovation, Mawson Institute for Advanced Manufacturing, and the Premier’s Science and Research Fund.</td>
</tr>
<tr>
<td>T4.12</td>
<td>Venture capital (new): South Australia’s share of Australian Government-administered venture capital program funds to reach 7% by 2010, and be maintained thereafter.</td>
<td>seed funding the development of a local venture capital industry to support small and start-up companies to commercialise new ideas and inventions</td>
</tr>
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</table>

Table CS3.6 (Attachment 3) provides a summary of the 2007 SASP Fostering Creativity and Innovation objectives strategies and targets and the articulation (espoused values) of the important role creativity has as a contributor to the state’s economic development and sustainability. The plan was influenced by the New Economy discourse, and it is interesting to ascertain:

- whether the objectives stated in the plan (artefact) express a broad or narrow view of the application of creativity in the economy
- the basic assumptions regarding the value derived from specific forms of creativity, for example, intrinsic, instrumental or institutional value
- whether the policy interventions and targets are innovative or path dependent.
The objectives, strategies and targets articulated in both the 2004 and 2007 signify a creative quick fix approach to achieving the SASP objective of fostering creativity. The 2007 edition of the South Australian Strategic Plan involved substantial changes to key targets. This is illustrated by in Table CS3.7 (Attachment 4) by the comparison of SASP 2004 and SASP 2007 Fostering creativity targets that summarises the audit committees assessment and justification for changing the strategies and targets in the 2007 plan. The change of the Fostering Creativity objective to Fostering Creativity and Innovation reflects an important shift in thinking about the relationship between the two concepts. The conservative and limited targets of the Fostering Creativity objective in the 2004 SASP have been further constrained by reluctance to invest in the revision of conceptual frameworks and the measurement and methods of analysis that would provide a more nuanced understanding of where, how and how much South Australia’s creative sectors contribute to the economy and the community. The strategy and the means of evaluating whether the targets have been reached under the heading of creativity are not new and they certainly do not exhibit South Australia’s capacity ‘to do things differently’. Therefore the 2007 SASP exhibits even more pragmatic strategies to foster creativity and innovation.

Frustratingly for many policy makers whilst Richard Florida (2003) acknowledges that the creative economy is a dynamic and turbulent system, he does not explicitly identify what frameworks and processes enable the translation of investments in human capital to create ‘the creative class’ that in turn must be cultivated to produce the raw commodity ‘creative capital’ to be utilised on an economy wide basis; nor does he draw out the practical policy implications of this, such as the need to link the numerous policy domains that influence the development of ‘creative capital’, the translation of creative

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70 Both groups working on the fostering creativity objective decided to discard the Florida Index, T4.1. The creativity working group also discarded targets T4.9, T4.10 and T4.11. Targets T4.3, T4.4, T4.5 were collapsed into one target and there were seven new targets recommended. The innovation working group replaced four existing targets, T4.2, T4.6, T4.7 and T4.8. They also recommended four new targets and suggested one education target for consideration by the working group for Objective 6, Expanding Opportunity.
ideas into products and services, and the facilitation of new market opportunities for those products in social, environmental and economic contexts. Supporting Glaeser’s concerns regarding Florida’s creative class thesis, Hogni Kalso et al (2005) argue that ‘Florida fails to distinguish between the different requirements of sub sectors of the Creative Class, and thus his policy advice is too general, and inadequate’ (p. 8).

The perpetuation of the limiting and historically conservative basic assumptions of the value generated by local arts and cultural production is further highlighted by Clive Gray (2007, p. 3) who observes the increasing emphasis on ‘the ‘need’ [his apostrophes] for arts and cultural policies to demonstrate that they generate a benefit over and above the aesthetic’ (p. 3), has led to an instrumentalisation of arts and cultural policies.

This in turn, he argues, has had a specific set of consequences for both the design and for the intentions that underlie policy frameworks and the investments made in instrumenatilising them. This is demonstrated by the two new targets in 2007 that focus on cultural engagement.

If the SASP is a call for the state to do things differently, why for example are there objectives, strategies and targets contained in the plan that have been the basis for the performance based funding agreements for the SA Art Gallery for years. It appears that South Australia’s arts and cultural institutions such as the Art Gallery of South Australia and the South Australian Museum have been included in the Fostering Creativity target for their capacity to be measured and achieve the set targets which suggests that achieving these targets will be merely a challenge to the marketing departments to increase visitor numbers, rather than an encouragement of investment in significant innovation to their program delivery.

Valuable though these targets may be, they reflect the narrow but historically dominant conceptualisation of creativity centring on the arts and cultural sector and its ability to provide the quick fix of demonstrating public value through the edifice of public institutions.

Of most concern when comparing the strategies and targets of the 2004 and 2007 SASP is the removal of the creative education target. In endogenous growth theory, education,
the development of human capital and the sharing of knowledge are critical components of a thriving innovative regional economy. It is therefore of concern that the education targets have been removed from the 2007 SASP and that investment in developing creative capital focuses on the digital media, ‘creative industries’, the narrowest conceptualisation of the creative industries in South Australia. It appears the targets for creative education have been removed to accommodate an increased focus on creativity within the business, science and technology sectors.

The relationship between and articulation of the objectives, targets and measuring tools illustrates that the availability and types of evidence may have, as Parson (2002) suggests, influenced the choice of which creative industry sectors became the focus of government investment and which were ignored. Creative activity that may well have achieved results for the other six objectives in the SASP, for example, the arts and design contributing to health and wellbeing, or architecture and industrial design contributing to the improvement of South Australian’s quality of life and attaining sustainability were sidelined and subordinated to technology and the digital media sectors.

The SASP case study has drawn attention to South Australia’s struggle to turn ambitious thinking into creatively doing, with the plan and associated agency policies and strategies demonstrating the significant conflicting values held by the community, business, government and policy makers when developing and implementing strategies to foster creativity.

The case studies of the policy documents informing the SASP and the SASP itself have illustrated the merging of this discourse into South Australia’s response to the evolution of the New Economy and an ideological and conceptual shift in understandings of the value creativity and culture contribute to the community and the economy. This shift has been borne out through a tangled repertoire of economic and cultural theory and a policy focus on the instrumental contribution creativity, creative individuals, organisations and businesses make to the economy and the community.

When considering the limited scope of the targets within the SASPs and the representation of the centrality of digital media and IT to the rest of the economy (see Figure 5.13, Section 2), one can only argue that those responsible for the plan have missed
an opportunity to take steps away from policy path dependency. They have failed to either suggest or to implement strategies that foster increased engagement between the creative sectors and other sectors of the economy, and move towards enabling all forms of knowledge to combine and provide creative impetus for the state’s economic activity.

Landry (2000) identifies the most inhibiting factor for cities wishing to develop policies that foster the development of creative cities is ‘bureaucratic proceduralism’ which he posits ‘prevents the identification and exploitation of endogenous creative potential’ (Landry 2000, p. 46). The challenge for a city or region wishing to change this mindset and way of working is to reconceptualise how a community views its city, and the reassessment of the concepts and ideas that inform action. The conceptual and academic framework he adopts to support this is a systems theory approach to understanding the multiple stakeholders and influences on a city’s development and sustainability.

Landry (2000) proposes that a city be conceptualised as an organism rather than a machine thus shifting the policy focus from physical infrastructure towards urban dynamics. He states that consideration of the policy environment of a city or region requires:

*Reviewing existing policies in known fields, and considering the efficacy of existing policy models and ways of addressing problems, including the policy implementation and the mechanisms to expedite policy.* (p. 54)

CS3.13 A value network analysis of creativity’s contribution to South Australia’s economy

One way for South Australia to gain a more nuanced appreciation of the ways in which multiple forms of creativity contribute to the economy, and to develop broader and more responsive means of turning cultural assets into economic advantage, is to utilise Verna Allee’s value network analysis (VNA) model (Allee 2002).

In the 1990s business analysis tools, such as value chain and value added business analysis, were popular means of identifying and measuring work flows and the input and output of a supply function. Allee (2002) argues that these linear methodologies based on mechanistic industrial production perspectives are not adequate in explaining the complexity, interdependent and dynamic relationships between multiple sets of actors that contribute to organisational or regional economic sustainability and growth.
Verna Allee drew on living systems theory, knowledge management, complexity theory, system dynamics, and intangible asset management theories to develop a methodology for analysing large complex networks. A value network is described as any set of roles and interactions in which people engage in both tangible and intangible exchanges to achieve economic or social good.

Developed originally to benchmark extremely complex reengineering projects in 1997, Allee (2002) refined the value network methodology for capturing transactions and value in the knowledge economy. VNA links specific interactions within the value creating network directly to financial and non-financial scorecards. She proposes that value network analysis methodology:

*Is grounded in principles of living systems, and represents a decided shift away from mechanistic models. It expands current thinking about intangibles in three important ways.*

1. It goes beyond the asset view of intangibles to also consider intangibles as negotiable and as deliverables.
2. It proposes a way to model organizations and business relationships as living networks of tangible and intangible value exchanges.
3. It provides a way to link scorecards and indexes to specific business activities, allowing people to more fully understand the impact of their decisions and actions in both tangible and intangible terms. (Allee 2002, p. 2)

Allee’s value network model integrates business process analysis and social network analysis tools, as illustrated in Figure 9.1.
Allee (2000) proposes that a value network generates economic value through complex dynamic exchanges between one or more enterprises, customers, suppliers, strategic partners and the community. The value network creates three currencies of value, those being:

**goods, service and revenue (GSR)**

Exchanges for services or goods, including all transactions involving contracts and invoices, return receipt of orders, requests for proposals, confirmations, or payment. Knowledge products or services that generate revenue or are expected as part of service (such as reports or package inserts) are part of the flow of goods, services, and revenue.

**knowledge**

Exchanges of strategic information, planning knowledge, process knowledge, technical know-how, collaborative design, policy development, etc., which flow around and support the core product and service value chain.

**intangible benefits**

Exchanges of value and benefits that go beyond the actual service and that are not accounted for in traditional financial measures, such as a sense of community, customer loyalty, image enhancement, or co-branding opportunities. (Allee 2000, p. 37)
This form of analysis would enable Holden’s (2005) concept of creativity and culture contributing intrinsic, instrumental and institutional value to the public, government and policy makers to be identified and measured within a regionally specific sphere of economic activity.

Developing a clearer understanding of where there appear to be gaps that need to be addressed by either government, industries, or NGO’s related to the sector, individuals or the community. This will enable individuals, organisations and the system as a whole to understand the value they are receiving from the system and the value they are contributing. Allen suggests that insights can be gained into value networks by analysing:

- the patterns of exchange
- the impact of value transactions, exchanges and flows
- the dynamics of creating and leveraging value

The first step in value network analysis is to create a visual map of the creative industry’s contribution to each of the objectives and strategies of the SASP. This diagram would show the essential contractual, tangible revenue - or funding-related business transactions and exchanges that occur between each node of the creative networks.

Along with this map of the more traditional business transactions, the critical intangible exchanges are also mapped. Intangible exchanges are mostly informal knowledge exchanges that benefit or support relationship building. This map could also identify intended and unintended institutional, instrumental and intrinsic value being contributed by the creative industries.

Applying Allee’s value analysis methodology will generate more nuanced local knowledge and therefore hopefully inform a more integrated approach to engaging with the creative industries and developing a system that places creativity and innovation at the centre of everything the state does.

To more easily articulate and manage the complexity of undertaking a value analysis mapping of the creative industries contribution to South Australia’s economy, the
analysis can be broken down into the subsections of the creative economy such as New England’s Creative workforce; Creative cluster; Creative community. From this the analysis could be once more broken down into creative sub-sectors and map the commonalities and differences between the sub-sectors to provide evidence of where investment gaps lie, as well as opportunities for collaborative effort and leveraging of resource allocations.

CS3.14 Reconceptualising creativity’s contribution to South Australia’s economy

Figures 9.3 to 9.5 suggest how the structure and economic contribution of South Australia’s creative industries might be re-envisioned. The figures emphasise the need for the creative industries to be recognised as a primary source of change agents and value-adders within a more broadly defined creative community within the main stream economy.

The figures highlight a range of theoretical perspectives that consider the constituent parts of the creative industries and the relationships and interactions between them and the rest of the economy. The first of the diagrams represents Throsby’s (2000) notion of the concentric circles of the activity of the creative and cultural industries (figure 5.6). Thereafter, they take account of the New England Council’s notion of the creative workforce, the creative cluster and the creative community sitting within the context of a regionally specific sphere of economic activity.

The Creative workforce consists of communities of practice and multidisciplinary teams including for example but not limited to: visual artists, craftspeople, designer/makers, actors, dancers, musicians, independent fashion, writers, designers, independent film makers, digital media/games enterprises, commercial film & radio, Architects, landscape architects, industrial, & graphic designers.

![Creative Workforce Diagram](image)

Figure 9.2 The creative workforce- individuals and communities of practice ranging from not-for profit to highly commercial enterprises
Creative Cluster includes the creative workforce as well as Enterprises that directly and indirectly produce cultural goods. Web of individuals and businesses within the creative workforce, are businesses and individuals who act as interacting agents working with the creative workforce and are critical in the realisation, development and delivery of cultural goods.

Figure 9.3 The creative cluster including the creative workforce as well as businesses that support and supply aspects of theirs services to the creative workforce

Creative Community includes the creative workforce and the creative cluster.

A creative community is a community or region with a high concentration of creative workers, creative businesses, cultural organisations and supporting agencies, institutions, policy mechanisms, agencies, businesses and individuals investing in and participating in creative activity and enterprise in all its forms.

Figure 9.4 A creative community is a community or region with a high concentration of creative workers, creative businesses, cultural organisations and supporting agencies, institutions, policy mechanisms, agencies, businesses and individuals investing in and participating in creative activity and enterprise in all its forms.
Figure 9.5 illustrates the activities and production of goods and services by the creative community within the context of a regionally specific sphere of economic activity that is influenced by the political, social and environmental dimensions of the region.

Figure 9.5  A regionally specific creative community contributes to a regional sphere of economic activity

Figure 9.6 extends the conceptualisation of the creative community as primarily producers of cultural products and services. Differing forms of creativity contribute to an economically productive, sustainable and dynamic regional *creative economy*.

Figure 9.6  Extending Richard Florida’s articulation on the differing forms of creativity that contributes to the economy
Adding more detail where and how the creative industries could contribute to achieving the SASP objectives could be provided by overlaying a map that documents and identifies where gaps might lie for innovation in the following areas:

- occupations education and training
- products and services
- production structure
- processes
- the sociology, and the production of culture within each policy objective domain.

As has been demonstrated by Allee’s analysis of other industry sectors, when the maps are complete and laid over one another it is possible to gain insights into what is actually happening now, where more value can be realised, opportunities lie, and what is required to achieve maximum value benefit across the entire business activity that is the focus of the analysis.

Applying a design thinking lens to consider what the actual as opposed to articulated problems are within the SASP objectives of improving wellbeing; building communities; expanding opportunity; attaining sustainability and growing prosperity together with Verna Allee’s Value Network Analysis methodology would enable a more nuanced understanding of the creative industries contribution to all of the SASP objectives.
Conclusion

Throughout history creativity expressed through the sciences, art, trade and crafts people, and cultural activity has played an important role in a region’s economic development and cultural and social dimensions. With government, especially in Western economies, eager to develop strategies to strengthen their economies and differentiate themselves within a highly competitive global economy, ‘creativity’ has become a catch phrase used by organisations and governments seeking to convey an image of dynamism.

With the increased recognition by governments of the importance of creativity as a contributor to economic growth, there has been a corresponding increase in the amount of academic research and policy discourse seeking to understand how and to what degree creativity and the creative industries contribute to economic development. This diversity of approaches to understanding how creativity and the creative industries contribute to economic development has resulted in a tangle of policy perspectives, strategies and investments to foster creativity as a means to strengthen South Australia’s economy.

However, as Oakley (2006) notes:

The term ‘creativity’, now tends to be accorded a special status in terms of the economy. This is problematic, as we do not have a clear enough notion of what ‘creativity’ constitutes in economic terms and it is not synonymous with innovation or novelty. (p. 257)

Markusen (1999) is concerned that the adoption of terms such as creativity without interrogating the reason and appropriateness of their use within a particular context turns the term into a fuzzy concept that depends on individuals determining their own meaning and value for the word. As was noted in Section 1 of this thesis:

The displacement of agents and actions by process nouns entails a shift away from the study of actors, bureaus and social groups, the structures within which they operate, their actions and outcomes, toward a discourse in which processes themselves become the causal agents. (Markusen 1999, p. 870)
The emphasis on the importance of creativity found in economic development documents such as the South Australian Economic Development Board’s (EDB) (1999) leads to and exacerbates the term’s ‘fuzziness’. This lack of clarity enables policy makers to distance themselves from the responsibility of enabling creativity’s application across the economy.

It appears in South Australia that a tangle of theoretical discourse stemming from theories surrounding the New Economy and endogenous growth theory, together with arts and cultural theory and advocacy arguments, have been drawn together to provide a mixed bag of contexts and causal agents from which policy makers can draw in developing their arguments and strategies for fostering creativity in South Australia.

Although the EDB identifies the creative industries as including music composition, literary, visual and performing arts, multimedia, film production, design and architecture, and initially acknowledges the intrinsic value of culture, the conceptualisation of the value of creativity eventually becomes limited to highlighting the film and digital media industries. The special mention of the digital media and film industries exhibits a bias that is contrary to the EDB’s assertion that the strategic framework is intended to shift away from an industry based approach to economic development plans since the document clearly emphasises investment in creative industries at the cusp of science and technology, and relegates other creative sectors such as architecture and design, for example, to positions of lesser value. Hajer (1993) argues that language and discourse influence the ‘mobilisation of bias’ (Hajer 1993, p. 45), and there are indications in the SASP’s discourse that bias towards technology has been mobilised.

This focus on science and technology and the digital creatives within both the 2004 and 2007 South Australian Strategic Plans suggests that the discourse surrounding the importance of creativity to economic development and its translation within the SASP has not stimulated the state’s ‘capacity to do things differently’ (SASP2004, p. 3.). Moreover the inclusion of objectives, targets and strategies that merely represents programs many of which existed prior to the strategic plans release are conceptually and rhetorically a creative quick fix?
9.1 Moving beyond the creative quickfix

Without a more robust attempt to identify and articulate how creativity is applied and contributes to South Australia’s economy, it is not surprising that there appears to be a policy path dependency and lack of innovative responses to how South Australia can foster creativity as a fundamental element contributing to the state’s economic development.

As was stated in the introduction to this thesis, Susan Oakley (2006), like John Holden before her (2005, p. 3) stressed the importance of constructing an understanding of culture and creativity and their role in people’s lives that acknowledges that creativity contributes multiple forms of value to individuals and communities, and takes multiple form. The opportunity to do this in South Australia through the South Australian Strategic Plan was missed for a number of reasons when, as the authors of the Creative Industries in South Australia report acknowledge, they responded pragmatically to issues related to identifying and defining the creative industries. As Holden (2005) has observed, ‘definitions flow from administrative convenience and do not accord with an everyday understanding and experience of the term’ (Holden 2005, p. 5).

9.1.1 Not so SMART

The adoption of a pragmatic, managerial approach to fostering and measuring creativity has narrowed the conceptualisation, articulation and value ascribed to creativity’s contribution to the economy. Furthermore, narrow interpretations of creativity have resulted in unimaginative policy settings and substandard investment in even those creative industries towards which the government shows bias.

Insisting that the targets are SMART is an example of the power of words to both represent and then determine thinking and behaviour. As soon as a government decides it wants to target and measure something that something has to have characteristics that can be targeted and measured. This encourages the use of pre-prescribed definitional boundaries drawn from standard industry analysis frameworks founded on distinctions between knowledge and industry and enterprise typologies which limits rather than provides an opportunity to develop a more nuanced and regionally specific understanding of the creative industries. The repetition of this predictable analysis
approach (some would argue efficient and cost effective) stifles opportunities to recognise, develop and create skills and strategies that enable and foster creativity and the creative industries to contribute more broadly across the economy.

Cultural statistician Professor Sara Selwood (2002, cited in Holden 2005) states that:

> Until the collection and analysis is carried out more accurately and objectively, and until the evidence gathered is used more constructively, it could be argued that much data gathering in the cultural sector [creative industries] has been a spurious exercise.
> (Selwood 2002, cited Holden 2005, p. 6)

The Creative Industries in South Australia report (2005) and the South Australian Strategic Plan (2004, 2007) clearly articulate a bias towards creative sectors that are closely connected to the science and information technology industries, more specifically businesses based in the digital media sectors. Rather than proposing a flexible definitional framework which enables the consideration of a diversity of the state’s creative sectors and their interaction with the rest of the economy, the South Australian government adopted a standard industry analysis approach. This observation encourages reflection on the statements made by Doug Henton and Kim Walesh (Collaborative Economics) who were influential in the policy landscape in South Australia in the early 1990s. Henton and Walesh (1998) were inspired and informed by the discourse surrounding the value of knowledge within a region’s stock of human capital and the means by which knowledge can be developed and translated into regional economic wealth. They observed that:

> The New Economy is not about making computers or microchips…

> The New Economy is not a set of new industries; rather, it is a set of new sources of competitive advantage faced by all industries…

> It is about applying knowledge and new ways of doing business to a wide range of products and services, from agriculture and apparel to business services, retail, and software. (Henton&Walesh 1998, p. 4)

If one compares these views to the espoused values/philosophies contained within the SASP there is a clear bias for investment in the application of analytic creativity and knowledge as applied in the science and technology sectors over and above the more organic, less structured activity in the arts, humanities and social sciences. Rather than utilising the SASP to provide an opportunity to challenge and provide opportunities for
applying knowledge and new ways of doing business to a wide range of products and services a more diverse range of creative thinking and enterprises to contribute to achieving the state’s economic development objectives and the achievement of the 2007 creativity targets (4.2, 4.3, 4.4) the SASP team have fallen into policy path dependency.

Cultural theorist Andy Pratt (1997) highlights the interrelationships that exist within the cultural [creative] industries production system, and suggests that even the strongest industries may be dependent upon the viability of lesser industries for vital skills, products and services. As Reich (2001)\(^71\) notes, creative geeks usually cannot drive commercialisation of their ideas in their own right. It is not only necessary then to support a diverse array of individual creatives but also an array of support organisations through which policy makers can realise the development of sustainable creative enterprises no matter their area of practice or profit motive. Concentration on supporting the development of digital creatives serves neither the technologies, which suffer from insufficient interaction with other creative fields, nor the other creative fields, which are unable to fulfill their potential due to policy constraints, such as the unrealistic economic targets by which they are measured.

The views expressed by Pratt (1997) and Reich (2001) give cause to reflect on a statement made by Stephanie Key as South Australia’s Minister for Employment Training and Further Education, who stated:

> Innovation is not about a few high-profile, high-tech, sectors of the economy; it is about every part of the economy and the need to be smarter in everything we do. Its importance to our economic future development does not mean that we have to turn every business into a mini-University. Rather, it means that we must apply, in new and changing ways, new technologies, new types of work organisation and be constantly open to new skills and ideas. (ibid., 2005, p. 3)

South Australia developed an international reputation during the 1990s and early 2000s as an ideal region for the development of industry clusters and networks. Yet the states intellectual and financial investment in the development and supporting intra and trans industry and knowledge sharing networks has been reduced to the support of networks

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\(^{71}\) Reich refers to creative geeks as dreamers and visionaries, such as artists, inventors, designers, engineers, financial wizards, scientists, writers or musicians (Reich 2001).
that support major industries such as water, defence and mining. Due to their size and relatively simple supply and production chains the economic contribution of the whole as well as subsectors within the network can be easily identified, mapped and measured. Unfortunately this is not the case for the creative industries whose supply and production chains and industry dynamics are fluid range in scale, and have vastly differing business models and commercial intent. Yet is within these formal and informal networks where the ‘micro’ innovations that can affect our social, environmental and economic wellbeing are more likely to occur.

9.1.2 A grand message within the SASP or just the creative use of policy rhetoric?

Since the departure of Don Dunstan from South Australia’s political scene, in 1986, the last vestiges of what could be considered a moderate socially democratic policy environment in South Australia have largely disappeared. Successive South Australian governments, both Labor and Liberal, have embraced neoliberal economic theory when determining government policy relating to economic development in the state. This philosophy has encouraged the adoption of business management theory and tools supported by management speak to become part of the everyday operation and discourse of government. The language of business pervades government agencies operating and delivering services to the community to such an extent that it is possible to perceive them as private profit making enterprises rather than public agencies seeking to deliver equitable public benefit to the community.

Like many strategic plans, the mission and values along with sections of the SASP are expressed using weasel words and motherhood statements. Don Watson (2005) reflects on the increasing overlap between political and business language stemming from the 1980s and asks:

Was it the Chicago School of Economics? Was it the management revolution? Microsoft? (No one enhances like the IT business.) Whenever it was the, the overlap between political and business language became a merger… when economics-free market or supply-side economics- became so brutally the main game of politics’…but its range now spreads well beyond politics and the corporations, and into all corners of our lives. (p. 53)
Don Watson cites the following quote from George Orwell, *Politics and the English Language* (1946), in the introduction to his book *Dictionary of Weasel Words, Contemporary Clichés, Cant & Management Jargon*, ‘Political language…is designed to make lies sound truthful and murder respectable and to give an appearance of solidity to pure wind’ (Orwell 1946, cited Watson2004).

The challenge for politicians and policy makers is to legitimise their policy stance by ensuring that their aspirations as expressed through policy statements are turned into reality through safe investments in their implementation. Quite rightly, it is acknowledged that in order to do this South Australia must do things differently. However doing things differently is difficult to do if there are competing values between politicians, policy makers, business and the community expressed as preferences towards certain types of knowledge and methods of working.

9.1.3 Conceptualising an integrated framework to foster creativity in South Australia

As was the case within the guild system, knowledge and skills exchange was often tacit, and the value of an individual’s knowledge was not realised until it was made tangible, often combined with the knowledge and skill of others to produce artefacts of religious or cultural significance or structures and objects of utility.

Although a region’s stock of general human capital is measurable through rudimentary means, such as enrolment and graduation data from our schools and universities, Paul Romer (2007), one of the most noted and influential academics focusing on new growth theory argues that there is growing recognition that when it comes to economic growth, educated and relatively creative workers are disproportionately important.

Although his earlier work by omission implied a significant bias towards valuing scientific and technological knowledge bases as more valuable to economic growth above the humanities and social sciences (HASS), Romer’s later work adopted a broader notion of knowledge bases valuable to the New Economy. To this end he considered creativity as a process of applying knowledge, not specifically tied to a knowledge domain or industry typology as is articulated in the *Creative Industries in South Australia* report or in the *South Australian Strategic Plans*. 
The Premier stated in the introduction to the 2007 SASP, his desire for a more integrated and collaborative approach to policy and delivery of services to be developed and adopted as a cultural norm across government. This is best summarised by the following statement:

Neither the objectives nor any individual targets stand alone – they are all part of a larger inter-related framework. Achieving one target should not come at the expense of another. Smart thinking about how we do things can neutralise effects on other targets, or even turn them into positives. (Government of South Australia 2007, p. 11)

As is indicated by the language used in the SASP targets, most innovations are considered by the state government to belong to the realms of science and engineering because they support the development of new technologies and manufactured products. Potts suggests that this heavy focus on innovation as a technical search and discovery process by firms:

Largely ignores the more complex interactions between producers and consumers, as well as subsequent phases beyond technology innovation, such as adoption and adaptation of a novel product or service to human lifestyles, along with its retention and normalisation by a population of carriers. (Potts 2007, p. 9)

Moving beyond less narrow interpretations of creativity’s role and value to the economy and the resulting creative quick fixes will require the elevation of creativity to the position of an overarching objective of strategic policy within government and the processes that enable it to be operationalised in a systematic and integrated way.

Potts (2007) explores the concept of differing spheres of knowledge, creative activity, commercial intent and the ways in which creative enterprises contribute to the economy, and states:

It is conventional to represent the arts and creative industries as suppliers of cultural goods and services. Yet this may be systematically underestimating their contribution to ‘the economy’ (…) the CIs [creative Industries] also produce another class of outputs, namely innovation. (p. 3)

Similar to Potts, Paul Romer (1993) considers knowledge and knowledge spill over as important factors in fuelling most innovation and regional economic growth. To this end, Green (2009) raises the notion that the process of ‘design thinking’ for the workplace of the future…[ will enable workplaces to be] agile, engaged and collaborative’ (p. 27).
As Beckman and Barry (2007) observe:

The social process accommodate[s] a less top-down view of the design process and relieve[s] less on experts to provide the solutions, instead engaging a broader range of players. Design shift[s] from a clear-cut problem-solving process to a problem-formulating process in which getting to a collectively acceptable starting point (so that appropriate resources could be committed to solving the problem) was the core of the effort. (p. 26)

From a similar perspective, Nelson and Winter (Cortright 2001, p. 13) argue that companies and economies should draw on a diverse array of individuals, knowledge and expertise, not only to formulate the problem to be addressed, but to apply this new knowledge to the production of artefacts and services that offer a solution to the initial problem. If applying design thinking is to be successful on a sustained basis in South Australia, individuals from disciplines as diverse as the arts and sciences need to be provided opportunities to communicate and share ideas in order to develop an understanding of each other’s languages and processes. From this conversation a set of shared goals and complementary approaches can be developed that are context specific and enable cross and trans disciplinary teams to take creative risks in developing strategies and actions to deliver outcomes that address the SASP’s six key objectives.

Perhaps reflection on Charles Owen’s (2007) discussion of the design process in which he considers design as a process of knowledge development, in which both analytic and synthetic knowledge are of equal importance in the translation of theoretical observations and developments into practice in the form of artefacts and institutions (Owen 2007, p. 27). The growing awareness of the way the design professions approach considering and resolving problems and developing new products and processes has meant that the term design thinking has become as popular in both the business and policy domains as the term creativity has been over the last 20 years.

Design Thinking is currently being engaged through the work of the Integrated Design Commission (IDC), established in 2010, following recommendations made by Laura Lee, one of South Australia’s most recent Thinkers in Residence. Lee states (2011):

Integrated design promotes holistic approaches and acknowledges that we need to think, and act, strategically for the long term. We need to inform decision making with research, education and collaborative practices embedded in a flexible and
interactive structure that promotes innovative new policies and actions for a prosperous and sustainable future for South Australia.

South Australia’s future must be based on an Integrated Design Strategy as the key engine for change, creating added value. I want South Australia to be as celebrated for excellence in design as we are for our wines, our festivals, our leadership in renewable energy.

The remit of the IDC is to:

Work with State and local Government, the design, planning and development sector - and the wider community – to transform urban environment and enhance quality of life through a multi-disciplinary, design led approach.

The Commission describes itself as:

A multi-disciplinary team led by Government Architect, Ben Hewett. ....

... equal parts design and corporate thinking. The team is made up of design specialists and public sector professionals all working together to provide leadership, expert advice and strategic direction to achieve a more sustainable, design led, urban form that aspires to transform and enhance quality of life for South Australians.

The Board membership will be drawn from individuals with expertise right across design disciplines, including: architecture, urban planning, landscape design, place making, public art, engineering, building and development; as well as governance, finance, technology and innovation. (ibid.)

Lee’s (2011) statement expresses what could be considered a broad conceptualisation of applied creativity. It is clear, however, that architecture is the form of creative practice that is at the forefront of the IDC’s agenda. Whilst the Premier’s and government support for the establishment and the early work of the IDC is commendable, the question needs to be raised regarding the political vulnerability of the Commission. The current state Premier, Mike Rann, whose personal support has ensured the IDC has been funded, has just announced he will be stepping down as Premier on the 26th October 2011. Without his support, the IDC may suffer, as many arts/cultural/creative bodies do from inadequate funding, signalling its eventual demise.

Since the visit of Laura Lee and the establishment of the IDC, some shift in the language of ‘creativity’ has occurred, however IDC’s current the bias towards the built environment and the instrumental value contributed by creativity yet again obscures the

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importance of a balanced conceptualisation of the differing forms of creative/cultural value as conceptualised by John Holden (2006) and its capacity to influence and contribute to all facets of the state’s economy.

The term creativity has been replaced in many instances by integrated design and design thinking to capture the essence of the method by which South Australia can achieve its social, environmental and economic goals. The challenge ahead in South Australia is to build on attempts to operationalise a broader conception of creativity, no matter what the field of creative practice, one that moves beyond creative quick fixes to one that is holistic, multi-sectoral, multi-disciplinary and multi-dimensional.

9.2 How could South Australia analyse the differing forms of value contributed by diverse forms of creative enterprise?

Landry (2000) observes that increasingly over the last ten years the cultural and creative capital of cities is being seen as an asset for innovation in many sectors and for the regeneration of cities and economies. Just how cities capture and transfer this creative capital to their benefit is largely dependent on community attitude, culture, and identity. Approaching this strategically, Landry (2000) espouses the use of a new form of urban asset audit, which includes understanding the dimensions and nuances of a city’s economy, social potential and political traditions, and their potential to influence a city’s ability to turn cultural assets into economic advantage.

Eugene Bardach makes an important distinction between ‘best practices’ and ‘smart practices.’ He is rightfully sceptical of identifying best practices that will transcend a wide variety of local conditions. Rather, he urges a focus on smart practices, which build upon local knowledge and local conditions to create a better policy fit (Bardach, 2000, cited Schuster et al. 2003, p.20).

9.2.2 Fine-tuning the policy repertoire

It is when the differing forms of creativity (artistic, technical and economic) combine, when innovations to the ways policy problems are conceptualised and addressed that ‘creativity’ is best able to address the objectives and targets outlined in the South Australian Strategic Plan: growing prosperity, improving wellbeing, building communities, expanding opportunity attaining sustainability.
The ability of a region to be innovative therefore relies on fostering social capital that enables the development of relationships and exchange within and across knowledge domains in order to develop innovative products and services as consumer goods, solutions to policy problems or cultural artefacts (large and small, permanent and ephemeral) that reflect the cultural dimensions of a region. Holden (2005) suggests that:

*The cultural sector, including the creative industries, in many ways forms a continuum – not least in the flow of ideas and inspiration from the art and heritage areas into industry supply chains – and that the distinction between them is somewhat arbitrary.* (p. 8)

Rather than try to constrain through definition the industries within which creativity and culture contribute to the economy, Holden (2005, p. 3) suggests attention be paid to constructing an understanding of culture [and creativity] and its role in people’s lives that acknowledges all the types of values contributed, and then develop actions to support it in particular contexts.

Creativity is a process, the economic value of which relies on its application and the influence of and on the actors that produce and consume the products and services inspired by the creative process. Potts argues that creativity and the creative industries contribute to not just value-added products, services and jobs, but more importantly, to the evolutionary process by which economic systems grow (Potts 2007, p. 9). To this end, he states:

*Creativity is perhaps the generic name for the set of forces that supply new ideas as new solutions to problems to connect new technologies with new human lifestyles. The creative industries do not just facilitate the origination of novelty, but also work to facilitate the adoption and adaptation of new technologies – through design and advertising, for example – along with the embedding of new technologies and their ongoing maintenance. The CIs are involved in all stages of the innovation process.* (Potts 2007, p. 8)

Moreover it is creativity applied in combination by the not for profit arts and cultural activity as well as the more commercially focused creative industries that contribute all forms of value - intrinsic, institutional and instrumental that inspire, inform, and support the development on interesting, dynamic and engaging array of industry and community cultures, which in turn gives rise to the development and adoption of innovations stemming from all areas of the economy.
Combining the proposed, less prescriptive conceptual frameworks as outlined previously with value network analysis methodology could therefore provide a means by which South Australia could develop a more nuanced understanding of the ways in which the state’s diverse array of creative sectors engage and contribute to the economy.

If South Australia is ‘to do things differently’ in order to deliver sustainable strategies that contribute to South Australia’s key policy objectives of Growing Prosperity; Improving Wellbeing; Attaining Sustainability; Fostering Creativity; Building Communities and Expanding Opportunity, a diverse array of knowledge, conceptual and problem solving expertise as well as the products and services of South Australian creative individuals and workforces (the creative cluster and the creative community) need to be considered as a central and primary contributor to achieving all of the states economic objectives.

A thriving and innovative creative economy needs to invest in hard and soft infrastructure and enabling mechanisms that develop and cultivate all forms of creative activity (synthetic and analytic), including knowledge sharing across and within multiple contexts and fields of knowledge. Were this to occur, the notion of a separate objective of fostering creativity in South Australia’s strategic plan would be redundant as multiple forms of creativity and cultural expression would be woven into the activity of the mainstream economy as a matter of course.
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Appendix and attachments
## Table CS3.5 Summary of Objective 4: Fostering Creativity targets 2004

<table>
<thead>
<tr>
<th>ARTEFACT</th>
<th>ESPOUSED VALUE</th>
<th>BASIC ASSUMPTIONS VALUE of creativity/culture</th>
<th>Conceptualisation of creativity’s application</th>
<th>Policy innovation</th>
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<tbody>
<tr>
<td>SASP targets 2004</td>
<td></td>
<td>Philosophy Key academic theory or discourse</td>
<td></td>
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<tr>
<td><strong>target 4.1</strong></td>
<td>Achieve a ranking in the top three [Australian cities according to Richard Florida’s Creativity Index] within 10 years.</td>
<td>Human capital</td>
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<td></td>
<td>Implement key recommendations from the report by 2003 Thinker in residence, Charles Landry, including the development of a talent strategy. (Primary responsibility: State Government and industry)</td>
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<td>X</td>
<td>X</td>
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<tr>
<td><strong>target 4.2</strong></td>
<td>Increase patent applications to exceed our population share of all Australian applications within 5 years.</td>
<td>Conduct an audit of digital content and new media activities in South Australia as a starting point for measuring and targeting development in the sector. (Primary responsibility: State Government and industry).</td>
<td>Technological innovation</td>
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<td>X</td>
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<tr>
<td><strong>target 4.3</strong></td>
<td>Significantly grow and expand South Australia’s share of the national feature film industry to match our population share</td>
<td>The South Australian Film Corporation will define the mechanisms by which it can best support the industry; including broadening its scope to ensure that all forms of digital content can be supported. (Primary responsibility: South Australian Film Corporation)</td>
<td>Digital revolution</td>
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<tr>
<td>SASP targets 2004</td>
<td><strong>goal</strong> strategy</td>
<td>Philosophy</td>
<td>intrinsic</td>
<td>instrumental</td>
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<tr>
<td>target 4.4</td>
<td>Double our share of television production within 10 years</td>
<td>Develop and mount the second Adelaide Film Festival in 2005 as an extended, innovative, and critically and publically acclaimed 14-day international event. (Primary responsibility: Board of Adelaide Film Festival, State Government, film and associated screen industries)</td>
<td>Digital revolution</td>
<td>X</td>
</tr>
<tr>
<td>target 4.5</td>
<td>Match the Australian average rate of growth in the audiovisual sector within 10 years.</td>
<td></td>
<td>Digital revolution</td>
<td>X</td>
</tr>
<tr>
<td>target 4.6</td>
<td>Exceed the national average of business expenditure on research and development (SA a percentage of GDP) and approach the OECD within 10 years.</td>
<td>Business to increase investment in research and development and identify opportunities for commercialising public sector R&amp;D. (Primary responsibility: Industry). Strengthen the Premiers Science and Research Fund to ensure a more coordinated, strategic and targeted approach to investment in business-focused R&amp;D and innovation in South Australia. This new component of the Fund will be used exclusively to support co-investment in business focused infrastructure. (Primary responsibility: State Government)</td>
<td>Technological &amp; scientific innovation</td>
<td>X</td>
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<tr>
<td>ARTEFACT</td>
<td>ESPOUSED VALUE</td>
<td>Philosophy</td>
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<td>SASP targets 2004</td>
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<td>instrumental</td>
<td>institutional</td>
</tr>
<tr>
<td>target 4.7</td>
<td>Increase the level of internet use in metropolitan and regional South Australia by 20% within 10 years.</td>
<td>Digital revolution</td>
<td>X</td>
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<td></td>
<td></td>
<td>Install Broadband infrastructure to provide better internet access and improve the competitiveness of business. (Primary responsibility: State Government, local government and industry)</td>
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<tr>
<td>target 4.8</td>
<td>Have based in South Australia either the headquarters or a major node of at least 40% of all existing CRC’s, Major National Research Facilities and Centre’s of Excellence within 5 years</td>
<td>Innovation / clusters</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>target 4.9</td>
<td>Improve learning outcomes in the arts and other curriculum areas that utilise enterprise education.</td>
<td>Human capital / entrepreneurial capacity</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>target 4.10</td>
<td>Improve the connections between educational institutions and industry to enhance creativity and innovation. Increase the number of families participating in the Learning Together and school-community arts and recreation programs.</td>
<td>Human capital</td>
<td>X</td>
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<tr>
<td>target 4.11</td>
<td></td>
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<tr>
<td>SASP targets 2007</td>
<td>goal</td>
<td>strategy</td>
<td>Philosophy Key academic theory/discourse</td>
<td>intrinsic instrumental institutional broad narrow</td>
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<tr>
<td><strong>T4.1</strong></td>
<td>Creative industries (new): increase the number of South Australians undertaking work in the creative industries by 20% by 2014.</td>
<td>digital revolution</td>
<td>At the time of writing this goal was most likely to stem from increasing activity within the digital media sector</td>
<td>X</td>
</tr>
<tr>
<td><strong>T4.2</strong></td>
<td>Film industry (existing – modified): double the number of feature films produced in South Australia by 2014.</td>
<td>supporting the revival of a world-class South Australian film industry, and the most vibrant film festival in Australia</td>
<td>digital revolution</td>
<td>X X X</td>
</tr>
<tr>
<td><strong>T4.3</strong></td>
<td>Cultural engagement – institutions (new): increase the number of attendances at South Australia’s cultural institutions by 20% by 2014.</td>
<td>establishing the Regional Centre for Culture program to further improve and promote the arts in regional areas *refurbishing the Adelaide Festival Centre</td>
<td>public/private</td>
<td>X X</td>
</tr>
</tbody>
</table>

Whilst this is a new initiative the means by which this target will be achieved relies on existing ‘creative industry infrastructure and support programs to be realised. In the case of performers and groups the pool of funding to develop produce and perform’ exhibit new work is shrinking in real terms.
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<td>Path dependant</td>
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<td>innovative</td>
</tr>
<tr>
<td>T4.4</td>
<td>Cultural engagement – arts activities (new): increase the number of attendances at selected arts activities by 40% by 2014.</td>
<td>*drawing new audiences to the creative arts in South Australia, including by turning the Adelaide Fringe and WOMADelaide into annual events *supporting the strongest youth arts sector in Australia *bringing a new international guitar festival and similar major cultural events to the state *funding a biennial Festival of Ideas *ensuring the Adelaide Festival continues to be Australia’s premier arts and cultural festival</td>
<td>public/private</td>
<td>X</td>
</tr>
<tr>
<td>T4.5</td>
<td>Understanding of Aboriginal culture (new): Aboriginal cultural studies included in school curriculum by 2014 with involvement of Aboriginal people in design and delivery.</td>
<td>inequality</td>
<td>X</td>
<td>X</td>
</tr>
</tbody>
</table>

Whilst unarguably new this targets call for a greater emphasis on Aboriginal cultural studies in school curriculum echoes back to the 1970s and 80 when Aboriginal studies was a significant element of the Australian History curriculum.
### Table CS3.6 continued

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<td>Key academic theory/discourse</td>
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<td>T4.7</td>
<td>Business innovation (new): the proportion of South Australian businesses innovating to exceed 50% in 2010 and 60% in 2014.</td>
<td>innovation / Entrepreneurial capacity</td>
<td>X</td>
<td>Path dependant</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>innovative</td>
</tr>
<tr>
<td>T4.8</td>
<td>Broadband usage (existing – modified): broadband usage in South Australia to exceed the Australian national average by 2010, and be maintained thereafter.</td>
<td>digital revolution</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td></td>
<td></td>
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</tr>
<tr>
<td>T4.9</td>
<td>Public expenditure (new): by 2010, public expenditure on research and development, as a proportion of GSP, to match or exceed average investment compared to other Australian states developing alliances between government, industry and education sectors for increased research, commercialisation and innovation, and investing millions of dollars in research infrastructure as part of the National Collaborative Research Infrastructure Strategy</td>
<td>innovation</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>ARTEFACT</td>
<td>ESPoused VALUE</td>
<td>BASIC ASSUMPTIONS VALUE of creativity/culture</td>
<td>Conceptualisation of creativity’s application</td>
<td>Policy innovation</td>
</tr>
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</tr>
<tr>
<td>SASP targets 2007</td>
<td>goal</td>
<td>strategy</td>
<td>Philosophy</td>
<td>intrinsic</td>
</tr>
<tr>
<td>T4.10</td>
<td>Australian Government resources (new): secure Australian government research and development resources to 10% above South Australia’s per capita share by 2010 and increase this share to 25% by 2014, for both public and private spheres.</td>
<td></td>
<td>Philosophy</td>
<td>intrinsic</td>
</tr>
<tr>
<td>T4.11</td>
<td>Business expenditure (existing – modified): increase business expenditure on research and development to 1.5% of GSP in 2010 and increase to 1.9% by 2014.</td>
<td>supporting innovative industry through initiatives such as the Centre for Innovation, Mawson Institute for Advanced Manufacturing, and the Premier’s Science and Research Fund.</td>
<td>innovation</td>
<td>intrinsic</td>
</tr>
</tbody>
</table>

Achieving this target relies heavily on attracting funding from the Commonwealth. Being competitive in this environment will require developing the ability to develop and implement new languages and methodologies and intuitions that support multi and trans-disciplinary education and research.
<table>
<thead>
<tr>
<th>T4.12</th>
<th>Venture capital (new): South Australia’s share of Australian Government-administered venture capital program funds to reach 7% by 2010, and be maintained thereafter.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>seed funding the development of a local venture capital industry to support small and start-up companies to commercialise new ideas and inventions</td>
</tr>
<tr>
<td></td>
<td>Innovation / Entrepreneurial capacity</td>
</tr>
<tr>
<td></td>
<td>X</td>
</tr>
</tbody>
</table>

Although new this is not an innovative approach to fostering creativity and innovation. Concerning is the ability of the venture capital model to consider investing in incremental innovation that does not realise significant immediate capital returns but is however fundamental in providing a means to do things differently in our social and environment sectors.
### Table CS3.7: Comparison of summary of SASP’s 2004 Fostering Creativity Objective and SASP 2007 Fostering Creativity Innovation objective

<table>
<thead>
<tr>
<th>2007 SASP targets</th>
<th>2004 SASP targets</th>
<th>Description</th>
<th>Audit committee assessment (June 2006)</th>
<th>REASON FOR 2007 CHANGE TO TARGET</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Creativity</strong></td>
<td></td>
<td></td>
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</tr>
<tr>
<td><strong>T4.1</strong> – Creative industries (new): increase the number of South Australians undertaking work in the creative industries by 20% by 2014.</td>
<td><strong>T4.1</strong> - Creativity Index: Achieve a ranking in the top 3 regions of Australia in Richard Florida’s Creativity Index within 10 years</td>
<td>Unclear</td>
<td>The original target has been replaced due to the unavailability of further Florida index data for Australia</td>
<td></td>
</tr>
<tr>
<td><strong>T4.2</strong> – Film industry (existing – modified): double the number of feature films produced in South Australia by 2014.</td>
<td></td>
<td></td>
<td>The modified target is more specific and ambitious</td>
<td></td>
</tr>
<tr>
<td><strong>T4.3</strong> – Cultural engagement – institutions (new): increase the number of attendances at South Australia’s cultural institutions by 20% by 2014.</td>
<td><strong>T4.3</strong> - Film Industry: Significantly grow and expand South Australia’s share of the national feature film industry to match our population share.</td>
<td>Achieved – currently at or better than target level</td>
<td>New target</td>
<td></td>
</tr>
<tr>
<td><strong>T4.4</strong> – Cultural engagement – arts activities (new): increase the number of attendances at selected arts activities by 40% by 2014.</td>
<td><strong>T 4.4</strong> - Double our share of television production within 10 years</td>
<td>Achieved – currently at or better than target level</td>
<td>New target</td>
<td></td>
</tr>
<tr>
<td><strong>T4.5</strong> – Understanding of Aboriginal culture (new): Aboriginal cultural studies included in school curriculum by 2014 with involvement of Aboriginal people in design and delivery.</td>
<td><strong>T 4.5</strong> - Match the Australian average rate of growth in the audiovisual sector within 10 years.</td>
<td>Unclear</td>
<td>New target</td>
<td></td>
</tr>
<tr>
<td><strong>Innovation</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>T4.6</strong> – Commercialisation of research (existing – modified): increase gross revenues received by South Australian-based research institutions from licenses, options, royalty agreements, assignments, licensed technology and patents by 2010.</td>
<td><strong>T4.2</strong> - Commercialisation of research: Increase patent applications to exceed our population share of all Australian applications within 5 years.</td>
<td>Little/no/negative movement has been made on the target</td>
<td>The modified target is more comprehensive than the existing target.</td>
<td></td>
</tr>
<tr>
<td><strong>T4.7</strong> – Business innovation (new): the proportion of South Australian businesses innovating to exceed 50% in 2010 and 60% in 2014.</td>
<td></td>
<td></td>
<td>New target</td>
<td></td>
</tr>
<tr>
<td><strong>T4.8</strong> – Broadband usage (existing – modified): broadband usage in South Australia to exceed the Australian national average by 2010, and be maintained thereafter.</td>
<td><strong>T4.7</strong> - Increase the level of internet use in metropolitan and regional South Australia by 20% within 10 years.</td>
<td>On track to meet the target in the timeframe</td>
<td>The modified target focuses on broadband, a more up-to-date measure of technology uptake.</td>
<td></td>
</tr>
</tbody>
</table>

300
<table>
<thead>
<tr>
<th>2007 SASP targets</th>
<th>2007 SASP targets</th>
<th>REASON FOR 2007 CHANGE TO TARGET</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fostering creativity</strong></td>
<td><strong>Fostering creativity</strong></td>
<td></td>
</tr>
<tr>
<td>Description</td>
<td>Audit committee assessment (June 2006)</td>
<td></td>
</tr>
<tr>
<td><strong>Investment in Science, Research and Innovation</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>T4.9</strong> – Public expenditure (new): by 2010, public expenditure on research and development, as a proportion of GSP, to match or exceed average investment compared to other Australian states.</td>
<td><strong>T4.8</strong> - Have based in South Australia either the headquarters or a major node of at least 40% of all existing CRC’s, Major National Research Facilities and Centre’s of Excellence within 5 years</td>
<td>Unclear (no data or no new data are available or measurement is problematic)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>New target</td>
</tr>
<tr>
<td><strong>T4.10</strong> – Australian Government resources (new): secure Australian government research and development resources to 10% above South Australia's per capita share by 2010 and increase this share to 25% by 2014, for both public and private spheres.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>This target has been achieved. It has been replaced by one focussing on the level of actual funding expended on research and development in South Australia</td>
</tr>
<tr>
<td><strong>T4.11</strong> – Business expenditure (existing – modified): increase business expenditure on research and development to 1.5% of GSP in 2010 and increase to 1.9% by 2014.</td>
<td><strong>T4.6</strong> Exceed the national average of business expenditure on research and development (SA a percentage of GDP) and approach the OECD within 10 years.</td>
<td>On track to meet the target in the timeframe</td>
</tr>
<tr>
<td></td>
<td></td>
<td>South Australia's current rate is now above the national average. The modified target reflects this and sets more ambitious South Australian –specific levels.</td>
</tr>
<tr>
<td><strong>Venture Capital</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>T4.12</strong> – Venture capital (new): South Australia’s share of Australian Government-administered venture capital program funds to reach 7% by 2010, and be maintained thereafter.</td>
<td></td>
<td>New Target</td>
</tr>
<tr>
<td><strong>Creative Education</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>T4.9</strong> Improve learning outcomes in the arts and other curriculum areas that utilise enterprise education.</td>
<td></td>
<td>Unclear (no data or no new data are available or measurement is problematic)</td>
</tr>
<tr>
<td><strong>T4.10</strong> Improve the connections between educational institutions and industry to enhance creativity and innovation.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>T4.11</strong> Increase the number of families participating in the Learning Together and school-community arts and recreation programs.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>