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Employment and Socio-spatial Relations in Australia's Cultural Economy[1]

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ABSTRACT *This paper examines the significance and contribution of Australian 'creative' industry activities in light of recent debates on the emergence of the 'cultural economy of cities'. First, census employment data and business location counts are used to illustrate patterns of metropolitan primacy and concentration in the cultural industries both across states and in Sydney. Second, the specificities of the locations of cultural production, and the links between cultural industry activities and wider urban-regional change are explored in more detail. A set of observations of urban-regional change is used to demonstrate how the notion of 'cultural economy' should include complex interactions between the material activities of consumers and producers, and the discursive worlds of image makers and place marketers. Urban renewal, housing market pressures and intra-regional migration all mediate Australian experiences of the 'cultural economy'. Such interactions, in addition to key quantitative data on employment and business activity, suggest important policy considerations.*

KEY WORDS *Cultural economy; employment; business location; cultural capital; urban and regional development; Sydney.*

Introduction

Several recent papers and books have discussed the emergence and importance of the 'cultural economy' to cities and regions as an 'ever widening range of economic activity is concerned with producing and marketing goods and services that are infused in one way or another with broadly aesthetic or semiotic attributes' (Scott 1997, p. 323; see also Landry 2000; Scott 1999, 2000; Kneafsey 2001). Such intersections of terms and phrases normally associated with economics (goods and services, producing, marketing) and cultural studies (semiotics, aesthetics) indicate an increasing recognition of the complex relationships between material and discursive trends, that underpin the creation of new forms of industrial and consumption spaces in cities and regions (Coe 2000).

Virtually all 'creative' human expressions are now found as commodified products of industrial sectors with high levels of corporate interest, or at least draw on infrastructures of performance, broadcast and distribution that have commercial dimensions (such as performance spaces, galleries, museums, musical instruments, etc). An ever-increasing list of industrial sectors—from music, film and theatre through to advertising, graphic design and architecture—rely on human creativity, whether to design and

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market their products or to provide 'content' for the various 'old' and 'new' media through which images and sounds are now consumed. Meanwhile, the 'cultural economy' has begun to transform places in ways beyond immediate employment generation. Some urban precincts have been remodelled and reinvented as 'cultural quarters', city marketers use cultural industry activities as new sources of promotional material for strategies aimed at attracting mobile investment capital, while in the texts of the cultural industries themselves—songs, films, television shows, books and articles—places are portrayed in particular ways, enhancing (or contesting) popular meanings for those locations.

Creativity has become crucial to the success of urban and regional economies, and a fundamental means through which places are perceived, yet the quantifiable dimensions of the cultural economy have only started to be explored, and policy implications begun to be defined (see, for example, Pratt 1997; Scott 2000). Cultural policy is itself nothing new—as Anderson (1983) argued, 'creative' spheres such as art, music and theatre have always been a means through which certain definitions of national identities are actively promoted by governments. How a given regime viewed and funded various arts activities was a reflection of how a nation viewed itself (or how the state would like the nation to be perceived); hence the historical emphasis on funding 'high culture' pursuits such as classical music and ballet that were considered national 'institutions' (see Grossberg 1997 for a critique of distinctions between 'high' and 'popular' culture in relation to state cultural policy). More recently, an awareness of the economic importance of forms of production linked to 'culture'—most notably music, film, publishing and fashion—has led governments at both national and city scales to begin interpreting cultural policy in terms of commercial benefits as well as national cultural priorities, exemplified in Tony Blair's 'Cool Britannia' campaign in the UK. At the local scale, many cities in the UK (including Sheffield, Durham and Manchester) have also sought to mitigate the effects of deindustrialisation through revitalisation projects and employment schemes based around the 'creative' industries, though these have been criticised in terms of a lack of measurable tangible outcomes, and of the social displacement enacted through urban regeneration and resulting gentrification (Hudson 1995; O'Connor 1998).

In Australia, the former Keating government's 'Creative Nation' initiative (see Commonwealth of Australia 1994) was underpinned by a shift away from 'elitist' cultural policy, based on aesthetically 'high' culture and institutional arts support, towards targeted investment for projects across all cultural industries, including popular music, film and television production, an acknowledgement of their commercial potential and consumer support. However, unlike experiences in the UK, cultural industry policy initiatives in Australia have somewhat lagged: the Creative Nation initiative has lost momentum under the current Howard federal government, and few state and local governments have incorporated cultural industry policies within the broad ambit of economic development planning. This in part reflects the limited capacity of some government institutions to explore options for cultural industry development strategies. Local councils, for instance, have a relatively small tax base upon which such strategies might be developed. Councils' key responsibilities, including road provision, garbage services and environmental management, account for a significant proportion of annual budgets, leaving them less likely to divert significant funding into cultural projects. The general lack of cultural industry development strategies in Australia also reflects difficulties obtaining accurate information on the significance and contribution of the cultural sectors to the economies of cities and regions. Much research undertaken by arts institutions and the Australian Bureau of Statistics, for instance, is by necessity national in its focus, and demand based, seeking knowledge of the audience preferences for creative products in order to fine-tune policy emphasis and understand how Australians value the 'arts' (see, for example, Australian Bureau of Statistics 1997; Saatchi and Saatchi Australia 2001).

This article seeks to respond to this absence, by examining the significance and contribution of the cultural economy in Australia to employment outcomes, and more broadly within the parameters of urban and regional development. After briefly discussing definitional issues surrounding the term 'cultural economy', we examine available information on the commercial value of the cultural economy in Australia, and census data that illuminate the extent of employment across selected 'creative' occupations. We then suggest ways in which available figures underestimate the extent of cultural activities, and the complex ways in which cultural production, employment and consumption interact in particular locations. We move on to consider important questions about how cultural economies are linked to the social and cultural mix of particular cities and regions, the impacts of migrations, and reflect inter- and intra-regional imbalances in employment opportunities and outcomes, with special reference to Sydney. Our concern is to broaden the policy context of discussions of the cultural economy of Australian cities and regions beyond a singular reliance on employment data, and establish future research agendas that emerge from key issues affecting urban and regional development. This involves an acknowledgement that the 'cultural economy' itself cannot be defined or explained without reference to trends and dynamics beyond the industrial sectors considered 'cultural' (such as music or film): the role of the 'cultural economy' in wider processes of urban-regional change needs to be more clearly articulated. Thus, our approach both 'looks inwards' to the employment and locational aspects of cultural industry developments in Australia, and 'looks outwards', setting a research and policy agenda that positions such activities within wider patterns of urban-regional change.

Defining and quantifying the 'cultural economy'

Attempts to clarify what is meant by the term 'cultural economy' generally start with an account of the direct significance of the 'cultural' or 'creative' industries. In order to distinguish which industries are 'cultural', links are often identified between 'core' arts sectors and other related activities. 'Core' arts are now increasingly referred to as the 'creative' industries after the usage of that term in the 'Cool Britannia' strategy, including music, film, television, art, design, books, magazines, and dramatic productions (Throsby 2001). Related activities include those where a significant 'semiotic' or 'symbolic' element underpins production and the appeal of particular goods or services, notably fashion, advertising and architectural services (Scott 1997), or those where intellectual property constitutes a unifying element and commodity in itself within the 'creative economy', such as music, software and Web design (Pratt 1999; Gibson 2000; Howkins 2001; Connell & Gibson 2002).

Examining the cultural economy in these ways, as extensions of particular sectors of production, suggests approaches familiar within industrial geography: gathering evidence on different economic activities in certain places, linkages within and across sectors, factors influencing locational decisions, business structures, regulatory and legal mechanisms and institutional practices. This in turn is linked to increasing concerns within geography and industrial sociology on the relationships between 'economy' and 'culture', as researchers acknowledge that economic relationships and transactions are embedded in cultural contexts and a range of social relations (Pratt 1997; McDowell 2000). Yet, as Lash and Urry (1994) point out, vast amounts of contemporary commodity production now rely on the manipulation of signs and symbolic content, both in more obvious sectors such as music, or others such as automobile manufacturing and legal services which, while perhaps not immediately springing to mind as 'cultural', rely on an ever-increasing input from marketers, image creators, and designers. To paraphrase Mitchell (1995), 'culture is everywhere' throughout commodity production.

Quantifying the contribution of the cultural economy to employment and economic development in Australia reflects these definitional problems as all sources of data are likely to reflect particular methods of agglomerating information, assumptions about what constitutes a 'creative' industry, and the nature of work within those sectors. In defining the 'cultural industries', the Australian Bureau of Statistics (ABS) groups together a given set of standard industry codes (ANZSIC codes) as part of its National Culture–Leisure Industry Statistical Framework. Throsby (2001) has further categorised these cultural sectors into 'core', 'other' and 'related' industries. 'Core' sectors include those most centrally associated with creative activities: visual and literary arts, live theatre, music, etc. 'Other' cultural industries involve a mix of creative and non-creative activities similar to other service and manufacturing industries: printing and publishing, film production and distribution and photography; 'related' sectors include those considered more peripheral to definitions of 'culture', including advertising and architectural services. Table 1 indicates the significance of officially defined (ANZSIC) cultural industries according to the employment numbers generated, and the value of total production and export. Australian production in these terms is valued in the order of A$25 billion per annum, a figure comparable to the output of the residential construction and road transport sectors (ABS 1997).

The 'core' arts industries (A$2.16 billion) actually contribute a smaller proportion of all gross production than 'other' and 'related' categories (A$13.16 billion and A$10.19 billion, respectively), a trend echoed in export earnings. In contrast, 'core' arts sectors constitute a more significant proportion of the total employment in cultural industries, indicating the labour-intensive nature of creativity in the cultural economy in contrast with other types of production. Such jobs, increasingly made up of full-time arts professionals, tripled between 1971 and 1996 (Guldberg 2000). Exports of cultural goods now earn over A$820 million per annum, while royalties earned by Australians for overseas use of their cultural property are in the order of A$100–160 million per annum (Australia Council 1998; ABS 2001a). Sectoral activities do have significant local impacts. Output and employment multipliers for the cultural sectors are among the highest of all industries in Australia, particularly so in architectural services, film/video and music/theatre production (Cultural Ministers Council Statistics Working Group 2001). In NSW for instance, the value of film and video production grew from $108.9 million in 1995–96 to $267 million in 1998–99, with 7500 direct jobs and a further 10 000 generated through flow-on effects to other industries, separate from the perceived 'intangible' benefits in terms of 'place marketing' and cultural tourism (NSW Department of Local Government 2000). In addition to the direct impacts of production, the revenue streams from production in film, music and publishing last much longer than the initial sales of CDs, cinema tickets and books. Royalties based on

TABLE 1. Value of production, exports and employment in the cultural industries, Australia, 1996–97[a]

Industry sector	Employment in cultural industries, 1996		Value of Australian production (total supply of goods and services), 1996–97		Exports, 1996–97[b]	
	No.	%	(A$ million)	%	(A$ million)	%
Core arts industries						
Visual and literary arts	7262	4.1	463	1.8	n.a.	n.a.
Live theatre, music, entertainment	17 108	9.6	912.3	3.6	22.5	2.7
Museums, galleries, libraries	18 976	10.6	782.9	3.1	5	0.6
Sub total	43 346	24.3	2158.2	8.4	27.5	3.3
Other cultural industries						
Services to the arts	2040	1.1	179.6	0.7	1.4	0.2
Printing and publishing	39 312	22.0	7595.8	29.7	256.5	31.2
Radio and television	21 038	11.8	3328	13.0	282.2	34.3
Film production and distribution	24 283	13.6	1797.8	7.0	39.5	4.8
Photography services	7157	4.0	264.9	1.0	n.a.	n.a.
Sub total	93 830	52.5	13 166.1	51.5	579.6	70.4
Related industries						
Advertising[c]	18 300	10.2	8490.8	33.2	147.7	17.9
Architectural services[c]	21 000	11.8	1107.4	4.3	26.7	3.2
Parks and zoos	2095	1.2	591.4	2.3	1.8	0.2
Sub total	41 395	23.2	10 189.6	39.9	176.2	21.4
Other income (all cultural industries)	–	–	38.6	0.2	40	4.9
Total	178 571	100.0	25 552.5	100.0	823.3	100.0

Notes:
[a] At the time of writing, the most recent available figures for both the Australian and New Zealand Standard Industrial Classification (ANZSIC) and the Australian and New Zealand Standard Commodity Classification (ANZSCC) were from the 1996 census and 1996–97 Australian National Accounts (ABS 1996, 2001a). Standard Commodity Classification codes are linked to Standard Industrial Classification codes (i.e. commodity outputs of discrete industrial sectors). Future ABS publications will make use of a new coding system: the Culture and Leisure Industry Classification.
[b] Data on total exports were not available for certain industry sectors, including visual and literary arts, printing and publishing, and film production and distribution. Sub totals in these categories hence under-represent accurate export performance.
[c] Employment data for these sectors is sourced from Throsby (2001). As with other entries, production and export data are derived from ABS (2001a). The inclusion of extra categories of employment by Throsby (2001) accounts for differences between the totals included here and those discussed in relation to cultural occupations for the 1996 census in the text of this paper.
Sources: industry categorisation adapted from Throsby (2001). Employment data adapted from ABS (1996, custom cross-tabulations); production and export data aggregated from ABS (2001a).

intellectual property continue to accrue with continued licensing of products (and excerpts) across other activities such as music in advertisements and as soundtracks to films.

The cultural economy employs a range of people in many very different capacities, from creative occupations at the 'coalface' of design and image production (such as sound engineers, film editors, actors and scriptwriters) to the more menial tasks of manufacturing, cleaning, clerical assistance, etc. The sorts of jobs that are created in the cultural economy vary not only in their level of 'creativity' and daily functions, but also in terms of conditions and security, from those holding down stable waged occupations through to various forms of subcontracting, casual and informal 'work'.

Particular occupations dominate employment in Australian cultural industries (see Table 2): designers and illustrators (14.7 per cent), journalists (8.8. per cent) and extra-systemic teachers (music, dance, etc.—12.8 per cent), but also librarians, visual artists, library assistants, musicians and artists. One might expect these to be higher, given Australia's access to anglophone export markets, high disposable incomes and low rates of household savings. The official figures undoubtedly under-enumerate actual employment. As in Europe, employment in cultural industries and occupations is easily underestimated when examined through census-based data (Karttunen 2001). Census data methods capture the main source of income for respondents on a single given night. This is problematic for a number of reasons: respondents in 'creative' occupations are much more likely to earn income unevenly throughout a financial year and thus may not be directly employed at the time of the census (Henkel 2000). In addition, Australian 'creative content' producers (artists, musicians, writers, etc.) commonly subsidise creative pursuits through other sources of income, and thus are likely to record another profession on the census, even if they may perceive their own identity in relation to their cultural pursuits.

The Australian Bureau of Statistics' survey of work in selected culture/leisure activities, based on a national survey of approximately 26 000 households, provides a dramatically different and more realistic picture of actual cultural industry participation (ABS 2000, 2001b). From this it was estimated that in 2000–01 over 2.5 million Australians were involved in some form of paid or unpaid work in the cultural industries, of which 900 000 received some form of monetary payment for their services. By contrast, the most recent census data (1996) recorded a total of 162 756 people employed in cultural occupations. The variability of data on the nature of employment in cultural industry activities is illustrated by comparing selected sectoral activities across these two data sources (see Table 3). Comparisons of those activities where categories were commensurate, notwithstanding the different dates when the data were taken, confirm how the census greatly underestimates the extent of participation. Some activities most associated with 'creative' endeavours (particularly writing, arts and crafts) indicated the largest proportional differences between the two data sources.

The results of the ABS survey further indicate that participation in the cultural economy is, in an income-generating sense, overwhelmingly informal, part-time or transient. Over 45 per cent of all work in culture and leisure sectors was of a short-term (13 weeks or less in duration) or part-time nature (less than 10 hours per week). In addition, particular activities were also highly gendered. With the exception of fashion, design-oriented occupations were overwhelmingly male dominated: 66 percent of all people involved in design were men, with the male dominance of graphic design (63 per cent men), architecture (82 per cent) and multimedia (72 per cent) particularly high. Gender divisions also emerged within particular activities; in music, women made up over 70 percent of singers, yet were only 30 percent of instrumentalists within bands or orchestras. Complex gender relations thus cut across Australian creative activities, an observation that suggests the importance of gender-specific dimensions of any future cultural industry development strategies.

TABLE 2. Employment in cultural industries, Australia, 1996, by occupation[a]

Cultural occupations	Total	% all cultural occupations
Designers and illustrators	23 909	14.7
Extra-systemic teachers	20 824	12.8
Journalists and related professionals	14 360	8.8
Architects and landscape architects	11 280	6.9
Librarians	9575	5.9
Visual arts & crafts professionals	9512	5.8
Library assistants	8622	5.3
Performing arts support workers	7893	4.8
Musicians and related professionals	7622	4.7
Photographers	6252	3.8
Library technicians	5500	3.4
Architectural associate	5091	3.1
Media production and artistic directors	5021	3.1
Film, TV, radio, and stage directors	4913	3.0
Actors, dancers and related professionals	4092	2.5
Authors and related professionals	3186	2.0
Ticket collector or usher	2831	1.7
Media presenters	2516	1.5
Environment, parks and land care manager	2337	1.4
Park ranger	1705	1.0
Interior decorator	1163	0.7
Theatre or cinema manager	933	0.6
Museum or gallery curator	757	0.5
Museum or gallery attendant	706	0.4
Archivist	640	0.4
Photographers assistant	495	0.3
Conservator	356	0.2
Piano tuner	355	0.2
Museum or art gallery technician	310	0.2
Total	162 756	100.0

Note:
[a] Employment figures in this table are aggregated according to occupational status, rather than industry classification. This data categorisation enables those engaged in 'creative' activities in 'non-cultural' industries to be counted.
Source: ABS (1996, custom cross-tabulation).

Australia's cultural economy: metropolitan primacy

Available cultural industry employment data have seldom been disaggregated to reveal spatial differences and patterns. Yet the cultural economy has inherent geographical dimensions, with contemporary forms of cultural production entrenched within and shifting between urban and rural locations. The distribution of cultural employment in Australia reflects and contributes to wider contours of uneven development: each state and territory is characterised by high degrees of metropolitan primacy, as each capital city far outweighs non-metropolitan areas in terms of employment, investment, and industrial agglomeration. One way to illustrate this is through calculating location quotients for employment across industry sectors, based on census data counts, which, despite their underestimation of total employment and overemphasis on professional activity are the only available source of spatially disaggregated data. Location quotients

TABLE 3. Selected cultural industry activities: comparing census and household survey data sources[a]

Cultural occupation	Employment in cultural occupations, 1996		Involvements in selected culture/leisure sectors, 1998–99[b]	
	Number of employees	% cultural occupations	Number of involvements with some payment	% of all cultural involvements with some payment
Authors and related professionals	3186	2.0	288 700	13.7
Designers and illustrators	23 909	14.7	321 400	15.2
Libraries and archives[c]	24 337	15.0	65 600	3.1
Musicians and related professions	7622	4.7	96 600	4.6
Photographers	6252	3.8	74 000	3.5
Visual arts and crafts professionals	9512	5.8	594 900	28.2
All cultural industries	162 756		2 113 200	

Notes:
[a] Comparisons not possible across all categories of cultural occupations, due to different classifications in the census and household survey.
[b] The number of involvements in any one activity is equal to the number of people involved in that activity. However, because a person can work in more than one activity, the summation of involvements in all cultural activities does not equate with the total number of people involved (ABS 2000, p. 27).
[c] Aggregated librarians, archivists and other library staff.
Source: ABS (1996, custom cross-tabulation; 2000).

reflect the difference between the proportion of total employment in a given sector in a set location in comparison to the proportion of total employment of a wider state or national space economy. Thus, a location quotient of 1.5 reflects that a given location has, proportionally, a 50 per cent greater share of its employment in the cultural industries, in contrast to the national figure. All capital cities record large, positive location quotients (see Table 4). The importance of capital cities within each state's cultural economy can also be illustrated through a 'primacy index', where the proportion of employment in cultural occupations in a capital city is related to the proportion of employment in the balance of the state (see Table 4). Applying a primacy index across all states, it is evident that employment in the cultural occupations is dominated by the capital cities, highest in Canberra and Sydney, and lowest in Adelaide and Brisbane. Employment in cultural occupations is nearly twice as common in Sydney as in non-metropolitan NSW. Western Australia records the highest metropolitan primacy, with employment in cultural occupations nearly twice as common in Perth as in the balance of the state.

Sydney is clearly the primary city of cultural industry activities across Australia and across sectors, with over 30 per cent of all cultural industry employment, and high rates of concentration in 'core' creative pursuits such as music, publishing, film and television services. Table 5 shows the breakdown of Australian cultural industries according to business location counts, in essence indicating the extent to which Sydney dominates total firm activity for particular sectors. While in some sectors Sydney has a level of activity proportional to its population (as with libraries, recorded music retailing, video hire outlets), in others Sydney by far dominates as a locational choice for companies. In film and video production, for instance, over half the country's companies are located in Sydney; while the city contains over 40 per cent of Australian

TABLE 4. Location quotients, metropolitan primacy, employment in cultural industry sectors, capital city and balance of state, 1996

Location	No. employed in cultural industries	% employment in cultural industries	Location quotient	Metropolitan primacy
Sydney	44 150	2.64	1.40	1.86
Bal NSW	12 516	1.42	0.75	
Melbourne	28 911	2.08	1.10	1.63
Bal VIC	6284	1.27	0.68	
Brisbane	11 435	1.72	0.91	1.14
Bal QLD	11 456	1.51	0.80	
Perth	9566	1.73	0.92	1.88
Bal WA	1920	0.92	0.48	
Adelaide	7559	1.73	0.92	1.61
Bal SA	1682	1.08	0.57	
ACT	3894	2.61	1.38	n.a.
Hobart	1636	2.08	1.10	1.18
Bal TAS	1817	1.75	0.93	
Darwin	779	1.91	1.01	1.6
Bal NT	502	1.19	0.63	
Other territories	6	0.38	0.20	n.a.
Total Australia	144 113	1.89	1.00	–

Source: ABS (1996), custom cross-tabulation based on ANZSIC codes.

sound recording studios, with similar shares of other creative arts businesses, linked to art, publishing and recorded media manufacture.

Sydney's dominance of business activity reflects an interaction of international, national and local factors commensurate with its long settlement and global city status (Connell 2000). Low exchange rates have improved the attractiveness of various forms of local film production (including animation, post-production, sound editing), supported by local infrastructures of production (recording suites, film studios, etc.), a highly skilled local workforce (a reflection of the location of major film, television and design schools), and institutional support for cultural activities (such as tax breaks and 'fast-tracking' planning decisions for the film industry). Sydney is the home for the vast majority of the Australian headquarters of international media organisations, music and entertainment companies, providing the basis for a network of support services, legal firms, marketing and distribution activities.

As with cultural industries in other large cities (Scott 1996, 1999), both 'core' creative and 'related' firms tend to agglomerate in particular locations (see Figure 1). Many media companies are grouped with other 'information industries', including software and high technology, telecommunications and finance activities, found in a 'dot.com corridor' extending from North Sydney to Ryde and north into Frenchs Forest and Warringah (Fagan 2000). Simultaneously, the locational decisions of many cultural industry firms reflect the inner-city focus of the cultural economy in a more general sense, connected to key sites of producer services, consumption, nightlife and entertainment. Higher rates of micro-businesses also emphasise the role that small firms play in underpinning activities predominantly associated with creative aspects of product development, production and marketing, in such inner city locations. Some cultural firms (such as the Australian headquarters of Universal Music, the world's largest

TABLE 5. Business locations, cultural industries: Sydney *vs* Australia, 1998

	Business Location Counts by Local Government Areas		
Cultural industry	Sydney	Australia	Sydney (%)
Newspaper printing or publishing	211	1016	20.8
Other periodical publishing	250	602	41.5
Book and other publishing	166	480	34.6
Recorded media manufacturing and publishing	82	209	39.2
Book and magazine wholesaling	155	496	31.3
Recorded music retailing	255	912	28.0
Film and video production	1397	2762	50.6
Film and video distribution	59	163	36.2
Motion picture exhibition	92	476	19.3
Radio services	70	370	18.9
Television services	107	372	28.8
Libraries	173	1108	15.6
Museums	62	437	14.2
Zoological and botanic gardens	15	110	13.6
Music and theatre	413	1102	37.5
Creative arts	443	1137	39.0
Sound recording studios	99	240	41.3
Performing arts venues	47	158	29.7
Services to the arts n.e.c.	347	810	42.8
Video hire outlets	406	2163	18.8
Photographic studios	630	1921	32.8
Total cultural industries	5479	17 044	32.2

Source: ABS (1998), custom cross-tabulation.

music company, and Studio 301, the country's major sound mastering and post-production editing facility) have located in the Central Industrial Area to the immediate south of the CBD, taking advantage of liberal industrial zoning, transport linkages and relative proximity to inner-city retail and entertainment districts. These factors combine to ensure that the Australian cultural economy has a high degree of concentration not only within Sydney, but also within a limited set of locations within the city.

Broadening the policy context: lifestyle, urbanisation and cultural production

Urban and regional economies build on particular connections between cultural producers and consumers, certain material locations, and cultural industries, although these are not causally related in any linear way. Census and business location data provide useful illustrations of the broad patterns of investment and employment in the cultural economy, particularly where these can be disaggregated spatially. Yet relying on quantification techniques to explain the cultural economy presents a number of problems. Beyond issues of data collection, reporting and comparability already highlighted, the internal dynamics of cultural production and consumption cannot be revealed by such statistics alone. In addition, employment and business location data do not fully reveal how the cultural economy reflects, and contributes to, intra-regional migration, urbanisation, and wider processes of socio-spatial polarisation (Murphy & Watson 1994) between and within cities and regions. This section of the paper

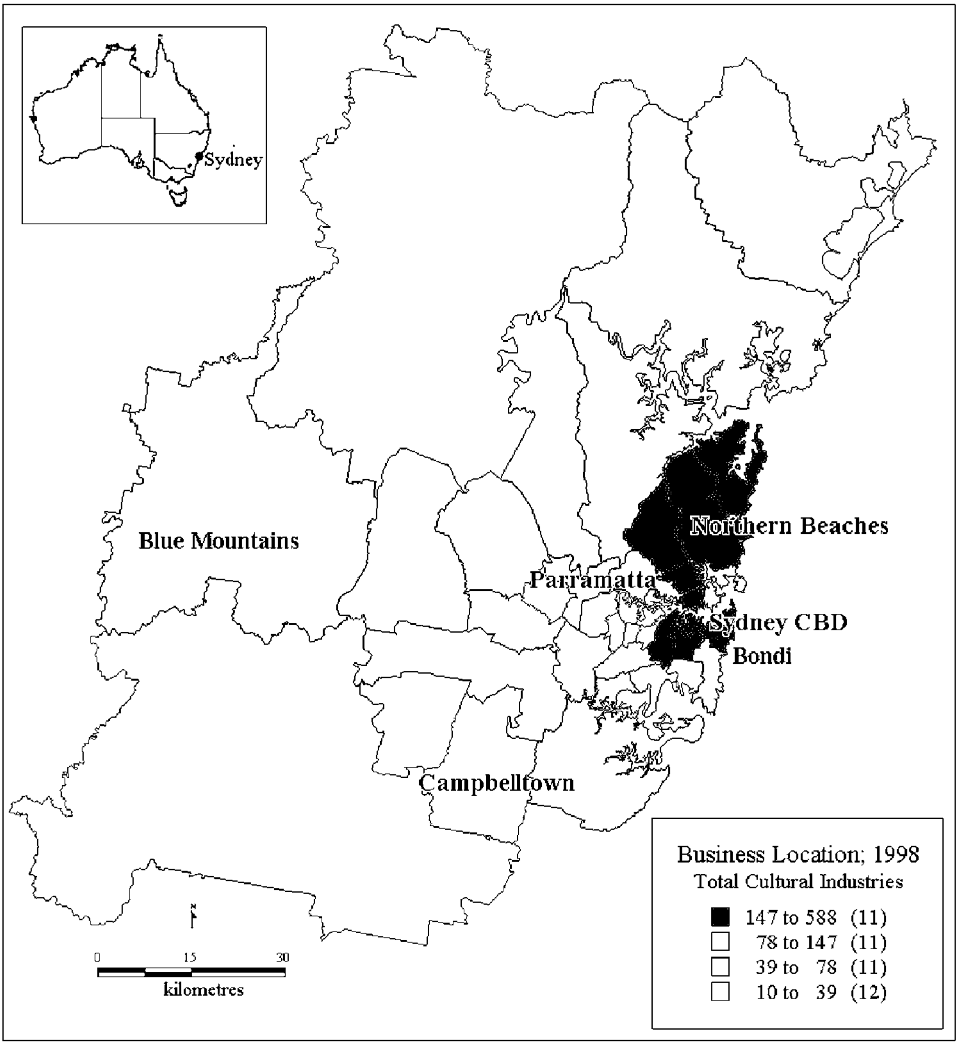

FIGURE 1. Business locations, total cultural industries, Sydney, 1998.

Source: ABS (1998), custom cross-tabulations.

discusses some important observations about how cultural industries and image production inform and are informed by various elements of urban-regional change in Australia.

Residents of city neighbourhoods are simultaneously cultural consumers (buying compact discs, attending cinemas, reading books) and cultural producers generating 'cultural capital' (Bourdieu 1984)—the knowledge of trends and styles that characterise contemporary urban cultural industries—and '*sub*cultural capital' (Thornton 1995)—where tastes originating in subcultures of music, fashion and design trigger specific sorts of cultural production. Cultural economies operate through interactions with various 'cultural gatekeepers' or 'critical infrastructures' (Zukin 1995) such as street press, movie reviewers and fashion shows that define patterns of style, guide urban trends in music, clothing and film attendance, and promote new kinds of cultural production (see also Mee & Dowling forthcoming). Material locations attract new residents, many of whom are involved as cultural producers in a direct way (musicians, artists, actors), reinforcing bohemian and cosmopolitan images and identities for urban spaces, images that then attract further cultural producers and consumers.

Such transformations have elevated Sydney's status in an international sense, in parallel with the city's wider push for increased recognition as a global city (hence strong civic support for major film productions). These trends have mediated the growth of the cultural economy, in part through gentrification and the accumulation of cultural capital in key inner-city locations. Cultural activities are evidence of Sydney's increasingly global role, particularly in media industries, but also contribute to the development of an aesthetic of cosmopolitanism that in turn transforms neighbourhoods in the city, generating cultural precincts and unique consumption spaces. Areas of the city that have long-held associations with artists, bohemian movements and 'alternative' subcultures become districts of cultural industry activity, and sites of gentrification and urban renewal (Shaw 2002). Those employed in cultural industries tend to live in the same area as where they work—locational choice is a question of lifestyle and the social praxis of employment, as well as more 'rational' determinants such as access to audiences and infrastructures for production. Such processes have contributed to the transformation of areas of Sydney's inner city since the 1970s, and of the central industrial district in more recent years, as state-sponsored policies of urban consolidation, coupled with the decentralisation of some forms of manufacturing production, have encouraged mixed land uses and increasing residential densities. It is perhaps no coincidence that new residential development projects in previously industrial areas are increasingly marketed through their proximity to sites of cultural production and consumption, and associated lifestyles.

In contrast, data on employment and firm location for manufacturing (particularly of recorded media such as CDs and DVDs) reflect a somewhat different geography, with much greater employment in Sydney's industrial inner-south and greater west (see Figure 2). These activities have tended to involve higher rates of migrant workers in production, suggesting divisions of labour within the cultural industries between flexibly oriented creative endeavours and more routine factory production. More work needs to be conducted through sectoral studies, ethnographic methods and local surveys to examine the extent to which Sydney's cultural economy is cut across by these socio-economic factors. Future explorations could problematise the picture of a totally inner-city-focused cultural economy, revealing more complex aspects of how creative production is linked to local social and economic relations. Such observations would also add a crucial dimension to policy considerations of the potential for cultural industry development strategies to redress socio-spatial polarisation within and between cities and regions.

As mentioned above, one characteristic of the cultural economy is that individuals appear to engage in creative pursuits such as music, art and dance as a central element of their leisure, yet earn the majority of their income through other means. This reflects the level of risk involved in the cultural industries, and the variability of income streams from creative endeavours. One implication of this pattern of work is that creative pursuits are ultimately not determined by patterns of supply and demand alone. They are also driven by individuals' own interests, which can map out quite divergent career paths across the cultural industries, as some move from amateur to professional positions, from informal to formal economic contexts of production. These career paths often begin with hobbies, are then mediated through educational systems (drama

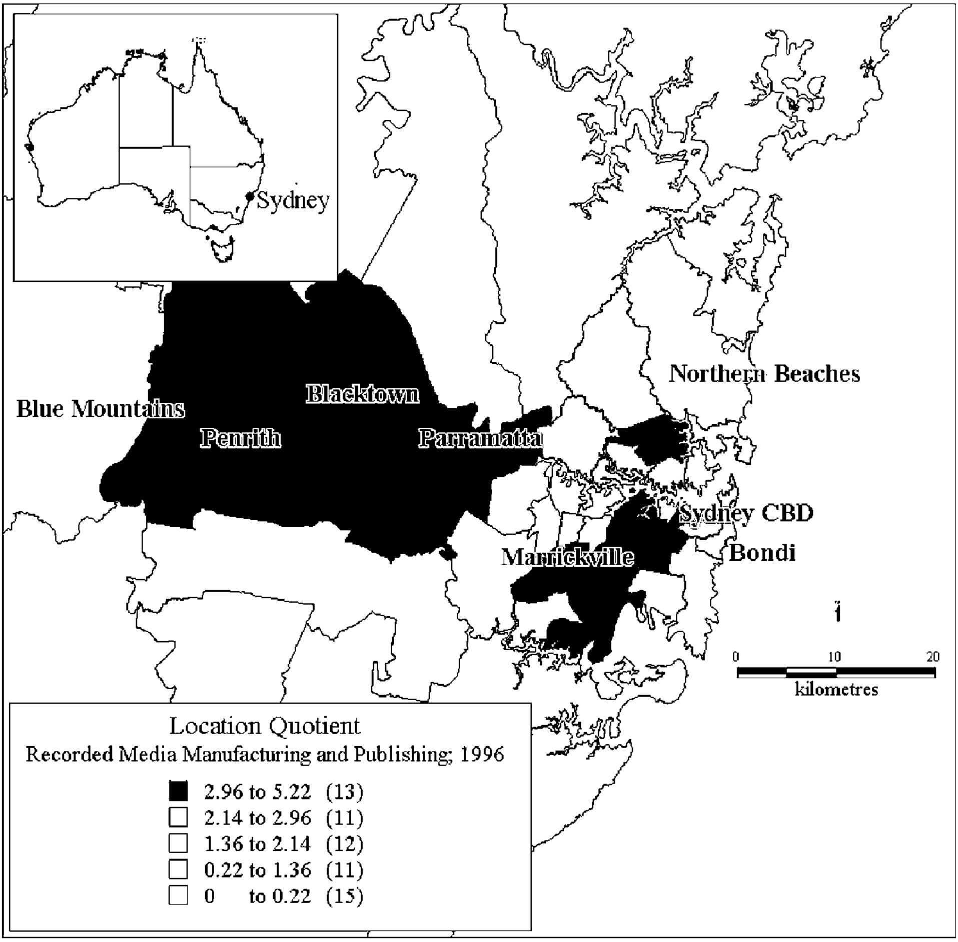

FIGURE 2. Location quotient, recorded media manufacturing and publishing, NSW, 1996.

Source: ABS (1996), custom cross-tabulation.

schools, film and television schools, design schools, music institutes), and, through a mix of luck, perceptiveness and talent, may lead to securing reliable incomes from creative activity. A successful cultural economy relies on a significant number of people being able to combine work and artistic pursuits. 'Cultures of creativity', which involve sheer numbers of people creating and consuming music, writing, painting and designing products, are in the end more likely to produce 'winners' in wider domestic and export markets than deliberate attempts to 'invent' a vibrant cultural economy within a given location.

Yet participation is also constrained by other factors. The extent to which other industries allow reasonably stable, flexible and part-time work influences the average weekly hours available to develop cultural expertise (in Sydney, retail, cafés, clubs, hospitality and tourism industries have fulfilled this function). The forms and flexibility of government income support and taxation systems, the regulation of other informal-sector activities and avenues for income generation (markets, busking, and drug trade), and sympathetic venues, booking agents, casting companies and other infrastructures, all mitigate participation in cultural activities. While these are important factors, the dynamics of urban housing markets have had perhaps the most significant impact on the spatial character of the cultural economy in Sydney.

During the 1990s, a housing cost squeeze threatened the ability of many cultural producers to continue their activities, limiting the number of people attempting to undertake creative work while remaining in Sydney. Areas in Sydney's inner-west have been popular with artists, musicians and writers since the 1970s, with a convenient mix of lower housing costs, high-density living, and an appropriately 'grungy' urban aesthetic (well known areas include Balmain, home to the Booker prize winning author Peter Carey for many years; and Newtown, which once housed diverse musical and artistic communities based around squatters' collectives). Yet the cultural capital these residents brought with them contributed to the transformation of these suburbs into much sought-after residential locations by young professionals, finance workers, 'empty nesters' and others employed in Sydney's central business district. As with New York (Smith 1996), artists constituted 'frontier' waves of gentrifiers, moving into older, sometimes dilapidated housing stock and warehouse space (Shaw 2000), constituting a market for new forms of retail and consumption (Bridge & Dowling 2001), and attracting day-trippers from other parts of the city, many of whom eventually saw such districts as possible future residential locations.

Consequent rises in property values and private rents have meant that many cultural producers, particularly of subsequent generations, have struggled to meet accommodation costs and continue to devote enough time to creative pursuits. Balmain became a less affordable student suburb by the 1980s and, a decade later, Newtown began to see the construction of new higher density residential apartment blocks, conversions of previously cheap warehouse space into luxury 'loft-style' accommodation, and the eviction of many of the original artistic collectives. The Australian tendency to capitalise in real estate compared with other forms of investment resulted in a large amount of speculative development, rising house prices and a creeping proportion of household incomes directed towards mortgage payments, exacerbating the trend towards increasingly long working hours. These dynamics also limited available time for cultural pursuits. On top of this, in areas such as Newtown and Leichhardt that became 'lifestyle' locations on the back of a credibility generated by cultural industry activities, reactions of new residents to 'unwanted' aspects of inner-city living ironically *reduced* the number of cultural activities present. This was particularly the case for many live music venues. Some hotels, such as The Globe, Newtown and The Three Weeds Hotel, Rozelle, were forced to close doors after noise complaints made by incoming gentrifiers. That which made such locations 'trendy' lifestyle areas in which to live became threatened as part of the very transformations they triggered.

Many individuals committed to cultural production as part of their immediate self-identity have since moved to peri-metropolitan areas where rents are comparatively lower and where amenable lifestyles could still be pursued. Popular locations for such intra-regional mobility within NSW have included the Blue Mountains (particularly for artists, musicians and writers), the Southern Highlands, for 'empty nesters', retirees and older generations of artists, and the Far North Coast. The latter region has been transformed progressively since the 1970s into an 'alternative lifestyle' location, facilitating activities in music, film, art and writing, supported by activities in other information industries such as multimedia and Web design (Gibson 2000, 2002). In such locations, the dynamic of the cultural economy is somewhat different. While newer migrants feed markets for cultural products (again, influencing the accumulation of cultural capital, and triggering further waves of property value increases), the smaller populations in such areas have necessitated cultural producers seeking opportunities beyond local markets. Tourism, in particular, has constituted a major opportunity for those in art, craft, music and other cultural industries (Craik 2001), and such activities have underpinned the development of regional identities (cf. Kneafsey 2001) and cultural tourism niches.

Conclusion

Available information on the significance of the cultural economy in an Australian context varies in accuracy and relevance, and its contribution, both quantitatively and qualitatively, is difficult to ascertain. National census data underestimate cultural industry employment, particularly in itinerant and part-time work, while problems of definition and the appropriate scope of the 'cultural economy' mean that some activities such as sport are often excluded. Despite what might seem to be modest employment figures, the cultural economy is a significant earner, both in terms of domestic sales and export income, while more intangible impacts, including royalty payments for licensing cultural content, and the contribution of cultural texts to the stock of images and representations of places, are also significant (albeit difficult to measure). Spatially, patterns of uneven development in Australia, including metropolitan primacy within states, are reflected in business location and employment data for cultural production. Sydney dominates in terms of total numbers of jobs and businesses. Within Sydney, cultural industry activities tend to be concentrated in either high-technology employment clusters extending from older industrial zones into middle-ring suburbs (the corporate end of the spectrum) and inner-city areas (a traditional urban 'seedbed' for diverse creative activity). Gentrification since the 1970s has spawned an outer ring of peri-urban and regional cultural spaces.

The cultural economy is much more than just production in the cultural industries, although this is certainly a strong starting point for discussions of the empirical contexts of a particular city. We have suggested that the cultural economy (and the 'cultural industries' within this) needs to be positioned within, and explained as a crucial element in urban and regional change. The cultural economy is bound up in processes of gentrification, migration, urban restructuring and renewal that have transformed inner-city and other non-metropolitan locations. To understand the cultural economy of cities requires us to examine in more depth the complex links between cultural producers, creative industries, and the locations within which they are found. Urban places are not simply the 'containers' of a cultural economy, a blank space upon which particular cultural-economic activities occur. They are themselves active agents in attracting capital and cultural producers (as residents), while images of urban sites, and the mythologies that surround them, simultaneously become materials available for use as semiotic content for the cultural industries (Gibson & Connell 2000). The cultural economy of Sydney is in part an aggregate of activities across certain sectors, but it is ultimately also linked to local social and cultural trends, patterns of migration, lifestyle choices and the character of urban living.

Important policy considerations emerge from both the quantifiable data on the cultural economy, and some of the observations we have raised here about how cultural production is linked to wider processes of urban-regional change. While employment and business location data indicate important spatial patterns and give some sense of the immediate economic importance of 'culture', they do not explain of themselves the dynamics of social–economic interactions as they are embedded in particular urban contexts. Theorising the cultural economy as a process of dynamic urban-regional change, rather than simply an aggregate of particular forms of production, also contributes to an understanding of how creative production might actually exacerbate, as well as constitute a possible avenue to redress, problems of socio-spatial polarisation and uneven development. These trends, and the policy implications they engender, remain important areas for future research on Australia's cultural economy.

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NOTE

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