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Foreword

By Terry Flew and Paulo Faustino

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Dear colleague and reader,

We are glad to bring to you the second issue of the Journal of Creative Industries and Cultural Studies – JOCIS. As we've stated in the editorial of the first edition, we're truly determined to edit a journal with high-quality standards in terms of content as well as in design. We believe that this new edition of JOCIS not only corresponds to these objectives but also presents some innovative aspects compared to the classic concept of Journal, which usually only focuses on the publication of scientific papers. However, it is our understanding that a Journal can go further and publish other works (opinion articles, study summaries, interviews and scientific events) that also contribute to creating and sharing knowledge.

In this sense, JOCIS maintains its editorial alignment based on peer-reviewed scientific articles – which will always be the main content – complementing with other themes resulting from the work of scientific journalism carried out by our large team of collaborators – Masters and PhD graduates specialized in these areas – who work in universities and research centers spread across different countries and continents. On the other hand, and in terms of editorial concept, JOCIS gives particular importance to scientific works exploring themes related to the creative and media industries, and tourism; and sometimes the relationships between these different industries are deeper than they may seem in a more superficial analysis.

Indeed, media companies, which are one of the most important subsectors of the creative industry, foster interactions with other creative activities in various circumstances, including sharing of know-how and activities, as well as sharing of other types of services, and may even be an integral part of the same value chain. The media are part of the creative industries that have the most impact on the economy and are, simultaneously, more market-oriented, namely the press – which includes the publishing of books, newspapers and magazines –, the film industry and the communications industries.

Like the other sectors that make up the creative industries, the first stage of production is always creativity, whether carried out by companies or only by individuals. On the other hand, the cost of production that involves the whole process, from the birth of the idea to the flow of the cultural asset, is a decisive factor, since it will determine the feasibility of introducing this product into a very competitive consumer market. In this sense, market studies are carried out in order to figure out what the consumer – a.k.a. demand – wants to buy, and thus to understand the real supply needs that can be successful in a given market.

In the globalized world, competition between cities is increasingly important. Thus, the regions with a strong economic future will be those able to offer creative products and services different from the world market, by attracting and retaining talent and capital for sustainable economic development. It is a sector that has an increasingly important role in the creation of jobs and wealth and in the promotion of quality of life of the populations, more specifically in the cities. This undoubtedly contributes to competitiveness, which is essential for sustainable economic growth, and for cohesion, on the economic,

social and territorial lines. The cultural and creative sector covers four major components that articulate themselves in a dynamic and complementary way: culture and economy, on the one hand, and economy and creativity, on the other.

There has been a growing recognition of the tourist attractiveness of cities or regions that bet on creativity and innovation. The creative industry encompasses a set of creativity-related activities as a central element, including the cultural sector and tourism. Considering that cultural traditions are an integral part of the creative economy, tourism can be conceived as a creative activity, either by the experiences generated by the agents involved, by producing symbolic value; or by the originality, creativity and process of continuous innovation in specific tourist sectors, such as cultural tourism.

Tourist destinations increasingly feel the need to differentiate between themselves in order to become more competitive, attractive and sustainable. The creation of tourism products and experiences arising from the combination of cultural, creative and touristic resources is one of the key development strategies to achieve these goals. In this context, some of the scientific articles, interviews and content published in this issue of JOCIS are intended to reflect on issues related to the synergies that can be explored between the Tourism Industry (with focus on the ITRACOTUR project), the Creative Industry and the Media/Communication Industry. With this purpose, this number has several works that apparently may not seem to have a direct relationship, but, in fact, constitute a strand of knowledge and related and complementary activities, namely:

The article by Ida Marie Helgetveit titled “Exploring travel experience design

through Lokalii: How can a travel app create memorable experiences?” explores the theory of experience design in tourism. Through this case study of the Norwegian travel app Lokalii the author puts forward ways of how travel apps interact with and serve their customers. The paper by Apurva Kirti Sharma titled “Balanced co-existence of ‘de jure and de facto independence’ in the public service broadcasting sector” discusses critical challenges to the independence of public service broadcasters and argues that de jure and de facto independence of PSBs is widening due to vested interests of corporate and political actors. Asdrúbal Borges Formiga Sobrinho and Osmária da Cunha look at the reasons for the phenomenal success of WhatsApp in “Can WhatsApp be approached as a creative product?” The authors analyse what a creative product is and what is a mere innovation. This article is the first one to analyse Whatsapp from this theoretical perspective, and presumably this is the start of more in-depth academic research into creativity related to popular apps. Last but not least, Marcello de Souza Freitas’ “The Creative Cultural Industry: The production of concepts in the process of commodification of culture and its impact” offers an historical overview of the reasons why there is a huge rise of academic interest towards creative economy at this point. The author offers recommendations for peripheral countries that seek to develop strategies of economic development in their own cultural and creative industries.

Since it is our understanding that knowledge also comes from the sharing of opinions and experiences, this issue’s interviews feature an illuminating discussion with Hasan Bakhshi (Executive Director for Creative Economy and Data Analytics at Nesta) by Terry Flew, Greg Hearn and Cori Stewart about the evolving creative industries

policy agenda in the UK and Australia; a conversation between Fulvia Santovito and Professor Stuart Cunningham of the Queensland University of Technology, about why, in his opinion, creative and cultural industries are a complicated and contested area and what are the factors shaping policy agendas in this field in different parts of the world; and Professor Nico Carpentier’s (Uppsala University and Vrije Universiteit Brussel) perspective on how media and arts come together as democratic tools. Professor Carpentier talked with Dinara Tokbaeva about the dynamics of media participation in Europe.

Our four research reports highlight recent events, interesting publications and case studies in the field of cultural and creative industries. Bruno Miguel Pires shared his thoughts about the recent event by CREIMA – The Creative Industries and Media Management course summer school – which took place in Porto last July. Dinara Tokbaeva summarised the findings on financing culture in 15 world cities, from Los Angeles to Shanghai. João Neves offered a glimpse at the main findings of the study “Marketing and communication in social networks in tourism organizations: a case study of Porto and the Northern Region of Portugal”.

We complete this issue with book reviews of Paulo Faustino’s *Innovation, Management and Trends of the Book Market*, by Fulvia Santovito, and Nico Carpentier’s *Media and Participation*, by Mónica Rodrigues.

Through these contents we aim at offering a truly global picture of what is going on in the creative and cultural industries, policy-making and academia, provide both theoretical insights and practical recommendations for researchers and practitioners. We hope JOCIS is as enjoyable for you to read as it was for us to make!



ARTT

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Exploring Travel Experience Design through Lokalii: How can a Travel App Create Memorable Experiences?

By Ida Marie Helgetveit

Keywords: experience design, Lokalii, local experiences, mobile usability, tourism.

Abstract

The demand for local experiences is increasing. Travel trends focus on the discovery of the 'unique', and travellers want to locate the experiences that make a trip memorable. With smartphones, locating information requires little effort. This paper seeks to explore the theory of experience design in tourism through an app for local experiences, Lokalii. Different aspects of both the theory and the app are put forward, to see how a travel app can help create memorable experiences. This paper aims at getting to know travelers' needs and wishes when travelling.

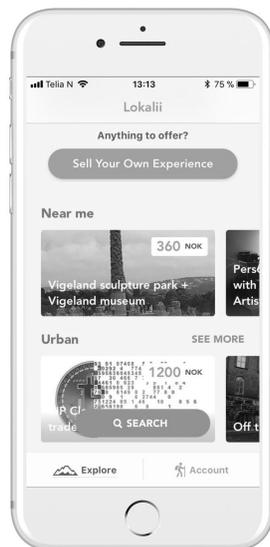


Fig. 1 - How the Lokalii app looks when users first opens it (Lokalii AS, 2017)

Introduction

Experience design in tourism is a theoretical approach which can potentially change how tourists experience a journey. The theory involves different aspects, which can initially change how destinations offer their experiences. During this paper, destinations are used to describe both cities and places, and it is also being used by tourism agencies. In many cases, the theory of experience design in tourism can be too theoretical. It implies, in some cases, that it can be difficult for destinations to know how to implement the theory for their specific destination. This paper seeks to contextualise the theory and apply it to a particular case of Lokalii. Lokalii is an app offered by the Norwegian company. This app consists of the experiences for tourists and locals provided by private individuals. The app works as a marketplace for experiences. The experiences range from travelling down the Akerselva River in an inflatable boat to learning how to brew

beer. All experiences typically involve users getting to meet a local, and experience what the locals do in their city or town. Lokalii offers around 450 different experiences in the app (an interview with P. Ruhi, June 21, 2017). In 2014, 61 600 travel apps could be found in the App Store. In Google Play there were 64 100 travel apps. Together, these apps represented 5 percent of the total apps offered (Sommer, 2015). Based on this, travellers have a big range of possible apps to choose from, which probably act as good sources of varied information. This paper will go through a short background for travel trends and apps, with some points from mobile usability. The theory of experience design in tourism will be mapped out and connected to Lokalii. A short analysis has been conducted to highlight points about travelling in Norway in addition to different aspects of Lokalii.

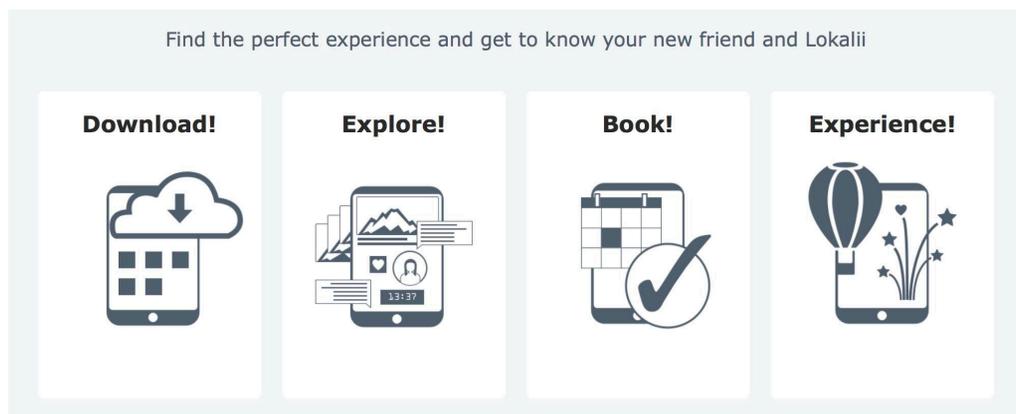


Fig. 2 - Main functions of Lokalii (Lokalii, 2017)

Travel Trends and Apps

The Oxford Dictionary defines a tourist as “a person who is travelling or visiting a place for pleasure” (Tourist, n.d.). In the 1950s it was said that one could give over 550 definitions of travellers. The attempt to define the term has been developed throughout the years. These efforts have contained information that a tourist must travel at least 50 or 100 miles from his or her home, stay overnight, etc. (Hunt & Layne, 1991, pp. 7-9). In 2016, it was estimated that six trends would drive the global tourism industry. These were: (1) strength of the Chinese market, (2) travellers’ eagerness to unplug, (3) the discovery of unique places, (4) fewer barriers to travel, (5) millennials are looking for adventure, and (6) staycation (Fuggle, 2015). It was also pointed out that travellers tend to spend more money, and that travel, in general, is considered to be a part of wellbeing. Travelers seek new experiences, and they are super connected. The third, fifth and sixth trends are consistent with what Lokalii offers. It is because the discovery of unique places is something that travellers can do by booking an experience that gives them just that. It might be to travel down the Akerseiva River with an inflatable boat, which can also be described as an ‘adventure’. They also tend to want to travel closer to home, and therefore the travellers want to experience more of their city. They can use Lokalii to do this, and thereby get an adventure close to home (Fuggle, 2015). Information technology has evolved during the last decades, and it impacts how travellers gain access to and use travel-related information. Especially search engines, which gives travellers access to tourism products. Smartphones are also drawn upon because they create locals for information search, in addition to that, they are accessible on the go

(Xiang, Magnini and Fesenmaier, 2015, p. 244). The Internet is a platform that helps continuous technological innovations and fosters new businesses (Xiang, Wang, O’Leary & Fesenmaier, 2015, p. 512).

It is argued that companies should create apps if they can afford it. The reason for it is that apps are often more straightforward than websites, in addition to that apps can implement features from a smartphone or a tablet, such as sensors and the camera (Nielsen & Budiu, 2013, p. 34). However, the use of apps requires more from the users. The users have to locate the app in an app store and wait for it to download before the app can be used. An app is often downloaded before users know if it has what they are looking for (Nielsen & Budiu, 2013, p. 38). However, Nielsen and Budiu (2013) encountered that there was a 74 percent success rate for apps when they conducted several tests of mobile usability (Nielsen & Budiu, 2013, p. 34). The use of smartphones when travelling have shown that tourists feel that they get more information and better value from their trips and they also become more flexible when moving, in addition to visiting more places (Wang, Xiang & Fesenmaier, 2016, p. 60). An example of an app that gives users much information when travelling is TripAdvisor. The consumers contribute to the information in the app. The planning of a trip is viewed as a fundamental part of the travel experience. It is here that the traveller creates expectations and seeks information to make decisions connected to the forthcoming trip. Travelers have also become more mobile when it comes to which device they use for planning their trip. Before they either went to a travelling agency or used their computer, which was normally located at home. Now, travellers use their smartphones that they bring with them anywhere (Xiang, Wang, O’Leary and Fesenmaier, 2015, pp. 513-515).



The planning of a trip is viewed as a fundamental part of the travel experience. It is here that the traveller creates expectations and seeks information to make decisions connected to the forthcoming trip.

Experience Design in Tourism

The definition of experiences has been debated for many years, and it can be defined in many ways. One is that an experience can be described as an immediate response to some event that just happened. Another example is that within a trip, there can be many micro-experiences that can be connected by using cognitive and emotion-based processes to create meaning. An experience can also reflect on a single event within a trip such as a concert or a visit to a museum (Kim & Fesenmaier, 2017, pp. 19–20). Stamboulis and Skayannis (2003) state that everything can be perceived as an experience, even the 4Ss (sea, sun, sand, sex), which are what many travellers still want to experience at a destination. Experiences have always existed in destinations. What is new is that an experience is designed, produced with intention, organised, prized and often charged for. It is a unique value attribute. Experiences can be divided into four categories: entertainment (passive participation, e.g. music concerts), education (active participation, e.g. seminars), escapist (active participation, e.g. mass tourism in exotic destinations), and aesthetic (passive participation, e.g. sightseeing). Destinations should offer experiences within the four different types, as this gives the participant a broader experience. For the experiences to be consumed, they must be produced. The destination works as the ‘theater’, where the tourists are actors, and they have to play an active role to experience something (Stamboulis & Skayannis, 2003, pp. 38–41).

Experience design in tourism is first and foremost a theoretical approach that seeks to enhance tourism experience at destinations. According to Tussyadiah

(2014) tourism literature view experiences as the core of tourism, and tourism is also considered to be the biggest producer of experiences. Destinations focus on offering unique products and services, which can lead to memorable experiences for tourists. Experience design research also focuses on technology-assisted services (Tussyadiah, 2014, pp. 543–544). Design thinking is a big part of the creation of experiences within tourism. In service design literature, it is seen as an “effective way to explore and define unarticulated problems associated with service delivery and to provide solutions to these problems in innovative ways” (Tussyadiah, 2014, p. 544). Designing for tourism experience is not about creating tour packages, it is rather to design the travellers’ on-tour experience. It is usually associated with experiences connected to the senses, with cognition, emotions and other values, situated in a tourism context. Because of this, it is important that the designers empathise with the end-user, to align with their thoughts and feelings, as well as their motivation and values. The tourism industry is continually becoming more and more competitive. Therefore, various unique products are offered, products that give the users value. The tourism business must offer products and services that connect to the tourists in a personal way. It leads to a deeper emotional attachment, which in most cases results in customer loyalty (Tussyadiah, 2014, p. 543–547). “Experiences should be understood as a complex interaction between design attributes and contextual details where meanings and values will emerge in given contexts, which implies designing within and for a complex sociocultural context” (Tussyadiah, 2014, p. 551). It is also emphasised that experiences should be emotional and social (Tussyadiah, 2014, p. 551). Something that can facilitate the psychological and social is

interactivity. It includes the interaction between a traveller and elements at the destination, other tourists or locals, or with mass media. Taking part in activities facilitates interaction which is essential for the tourism experience. Tourism touch points is also highlighted, and includes the hard, tangible elements, such as attractions and facilities, and the soft, intangible elements, such as information and service quality (Tussyadiah, 2014, p. 556). After researching experiences and travellers with mobile phones, Tussyadiah (2014) emphasised that designing for experiences requires that there is a broad understanding of experiences, from the travellers' perspective as consumers, but also as human beings (Tussyadiah, 2014, p. 559).

Understanding travellers' needs, wishes and concerns has become necessary for the competitiveness of destinations.

Understanding travellers' needs, wishes and concerns has become necessary for the competitiveness of destinations. Many stakeholders are present in the tourism industry; therefore Buhalis and Amaranggana (2015) emphasises the importance of smartness within tourism. The use of ICT (information and communications technology) can provide travellers with a better experience of a destination, based on the information available about them. The amount of data available can be a part of giving travellers a personal experience of a place. Many travellers expect destinations to be personalised and moulded for their specific needs. Because of this, the tourism industry is starting to collect information about their travellers, to provide the best

offers for the travellers. Such as relevant advertising and giving them information that can be a part of a decision-making process (Buhalis & Amaranggana, 2015, pp. 377-380). This particular point cannot be directly transferred to Lokalii, but the point of offering personal experiences are consistent with what Lokalii is offering. It will be elaborated on the next sections.

Mobile Usability

As mentioned previously, Nielsen and Budiu (2013) argue that companies should create apps if they can afford it (Nielsen & Budiu, 2013, p. 34). Apps can establish profitable relationships with companies. Even though apps are favourite, 25 percent of app users open an app once and never again. People are active on their phones, and therefore it is essential that the apps are efficient and enticing (Gove, 2016, pp. 2-3). It can be explained by how people use apps while travelling. As stated above, smartphones and the Internet play an essential role in making trip planning more convenient and efficient for travellers. Many people own a smartphone and use this to do research both before and during a journey (Xiang, Wang, O'Leary & Fesenmaier, 2015, pp. 513-515). Apps can be a part of making this even more convenient for the users because they can use the features of the smartphone. By doing so, users can, e.g., upload pictures directly in an app or do a search based on their location.

Some Lokalii app functions will be presented here, to show what the app contains and what it can facilitate. The app's functions create and promote the concept of Lokalii. Some functions are essential because, for instance, they give the user the opportunity to book an experience. On the other hand, functions such as the ability to send a

message to the host are not crucial; they are an addition. They allow users to ask the host some questions before the trip. It can also help the host and the traveller to get to know each other, should they wish to. All in all, this function facilitates the personal aspect of Lokalii. The host of an experience has to curate a text that explains the experience, in addition to a short paragraph about themselves. The experience text can be viewed as a "sales call", where the host uses the space to sell his or her experience to travellers. It is this space that the host gets to tell all the potential buyers about something that he or she loves, and want to share with the world. A rather new function is that the users can view experiences that are located near them. It makes the booking process more convenient because travellers can find experiences on the go, without having to search. It is also convenient if they are not familiar with the destination, and they can display experiences that are close by so that travellers do not have to travel far to find an experience. The different functions in the Lokalii app are what facilitate the concept, and how the app is perceived to the users. The concept can easily be described as the sharing of experiences, and the app is a marketplace for experiences. By being able to book experiences, travellers can get to know a destination from a local's point of view. The app can, therefore, be perceived as personal and exciting for the users, because they get to experience something together with other people. It can be exciting because many of the experiences are adventurous, such as Slip' 'N Slide!, which consists of travelling down a big waterslide ending in a big pool. The waterslide is built by the hosts. Many of the experiences are like this, and they create a fun and exciting way of getting to know a destination, as well as developing new relationships (Lokalii AS, 2017).

Lokalii and Travel Experience Design

Stamboulis and Skayannis (2003) divide experiences into four groups, and these will be explained and connected to Lokalii here. It has been done to point to aspects of the theory of experience design in tourism, and how Lokalii can fit with the theory. For the sake of doing the brief analysis, different experiences in the app have been viewed and drawn upon, according to the different types of experiences identified by Stamboulis and Skayannis (2003). The first kind of experience is entertainment, which involves passive participation from the traveller. Some experiences offered by the Lokalii app can be described according to this type, but most of the experiences involve participation from the traveller. One experience that can be described as an entertainment experience is "Acrobatic flight over Oslo!"; as shown in Figure 3. This experience consists of the participation in a small plane over Oslo, and the traveller will also take part in loops and other exciting acrobatics in the air. This experience does not have to involve participation from the traveller because they just have to sit there and be a part of the experience. However, most travellers will probably talk to the host, and try to learn some of the cool moves that are being done in the air. The second type of experience is education, which involves active participation. This is how many of the Lokalii experiences can be described. Examples of this are "Learning to sabrage sparkling wine with glass", "Learn a hilarious bar game + bar crawl in Oslo" and "Learn to windsurf in the south of Norway!" (See Figure 3). All of these experiences include the word learn, but many of the other experiences will also educate the travellers. The third type of experience is escapist, and it involves active

participation. It can be such experiences as participation in religious ceremonies or destinations or the participation in mass tourism in exotic destinations. Lokalii offers several experiences that can be said to fit within this type. One example is "Lefsebaking" (see Figure 3), where the traveller can learn how to bake "lefse", which is a traditional Norwegian dish. There are not many experiences that consist of religious ceremonies. However, no one knows what kind of experiences the app will contain in the future. Rather experiences such as experiencing something that is typical or traditional for a destination can fit under this group of experiences. The fourth type is aesthetic, which involves passive participation, such as sightseeing. As stated above, most of Lokalii's experiences involve active participation, and it is the same for this type of experience. However, there are a lot of sightseeing experiences offered in the Lokalii app, such as "A different way to see three of Oslo's biggest tourist attractions!" (See Figure 3), "Citywalk along Akerselva, Grünerløkka and St Hanshaugen" and "The

top of Rome". All these experiences consist of showing one place or several places in a city, and the traveller decides how much he or she wants to participate when it, e.g. comes to talking and interacting. Most people would probably participate in such an experience because it is exclusively hosted by a private individual, and there might not be many other people sharing that specific experience. Lokalii is an app for people who want to get to know the residents of a destination, and therefore it is logical that the participants are eager to interact with the hosts. As shown here, the variety of experiences in the Lokalii app can fit with Stamboulis and Skayannis' types of experiences (Stamboulis & Skayannis, 2003, pp. 38-41).

Lokalii is a Norwegian company, and most of the experiences are located there. However, there are still many experiences offered in different countries. Based on the outlined theories above, Lokalii can be seen as a provider that offers a solution for travellers and locals. Travelers get the opportunity to meet new people, and

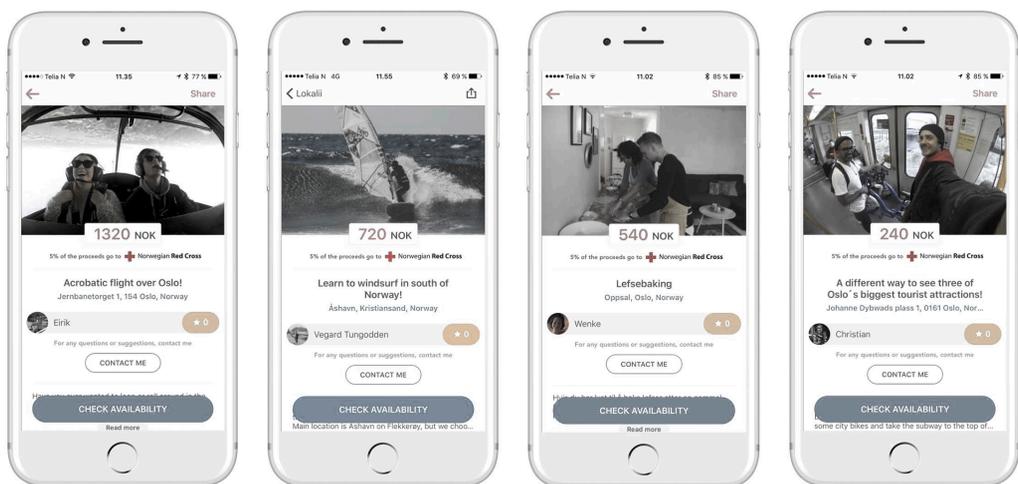


Fig. 3 - Examples of different types of experiences found in the Lokalii app. From right to left: entertainment, education, escapist and aesthetic (Lokalii AS, 2017).

to experience something at the same time. Locals can either choose to offer an experience, or they can participate in one. It is not a service for one of the segments but rather a service for both segments. Private individuals offer most of the experiences. Established actors can also offer an experience, but they have to offer something that they do not offer as a standard service. It is the personal and memorable that is important for Lokalii. The users of the app should get a new experience and something that is memorable. The personal aspect of the app is a part of facilitating relations, where a traveller can get to know a local during the participation in an experience. Innovasjon Norge (Innovation Norway) has recently published a plan of action, and one of the focus areas was on experiences and that Norway has to offer experiences (Innovasjon Norge, 2017). The number of travellers in Norway has increased during the last couple of years, and it is essential that the country meets this with engaging experiences for the travellers. In 2015, there were 3,6 million tourist arrivals in Norway. It is an increase of 12 percent from 2014, and 382 000 more tourists visited the country. This increase is higher than the average of the rest of the world. One reason for this could be the weakened exchange rate of the Norwegian krone, and tourists get better value for their money (Innovasjon Norge, 2016, pp. 9-16). The number of first-time visitors also increased. Many of the tourists that visited Norway wanted to relax and not do so much. However, there was an increase in tourists that wanted to experience the northern lights, dogsledding and participate in concerts and festivals. Several of the tourists also wanted to eat and drink locally, visit ancient buildings and experience the fjords (Innovasjon Norge, 2016, pp. 30-35).

Lokalii is not a source of information; it is a place where travellers can get inspiration to experience a destination.

All of these travellers use an external source to get information about Norway, whether this is an app, a guidebook, or friends and family. Lokalii is not a source of information; it is a place where travellers can get inspiration to experience a destination. The notion lies in the pictures from the experiences, as well as the text that the host has written. It differentiates Lokalii from several other providers, such as TripAdvisor, Lonely Planet, etc. The focus is on the personal encounter between two (or several) people, and what happens when they participate in an experience together. The theory of experience design in tourism highlights this feature, the personal. Because this is something that can potentially create a memorable experience for the traveller, which can eventually lead to customer loyalty; to either the service provider or the destination. Destinations can be a part of this if they choose to offer one or several experiences via Lokalii. The important thing is that they do not offer guiding experiences because the app is focusing on the local and the unique that a destination has to offer. Some travellers want to be guided, but many also want to experience the destination that they are at, and at the same time create relations with people located at that destination. Lokalii is a platform where travellers can do this. Destinations can choose to offer creative and fun experiences that show the traveller how people at the destination use the city or place where they live. By using Lokalii like this, it can potentially increase travellers wanting to visit a destination. It has to be explored more, to say something



concrete about it. Lokalii also has become known as a service provider for many people, to describe this more thoroughly.

Conclusion

This paper has addressed the theories of experience design in tourism and mobile usability. It has shown how travel trends have changed, in addition to how and why apps are distinct sources of information for travellers. Experience design in tourism has been debated, and different scholars used various methods. The theory has been adapted to Lokalii, to show how the app potentially can give travellers a better experience of a destination. Lokalii can eventually become a comprehensive source of tourism within more destinations if it becomes well known around the world. If people understand the service, they can potentially choose which destination to visit based on what kind of experiences that are offered. The fact that most experiences are offered by private individuals makes it easier for destinations to advertise their assets in addition to making the experience of the destination more personal. Private individuals or locals can potentially create a different atmosphere for the travellers than a guiding or a tourism company. This is because the locals choose to offer an experience because they want to show something or some parts of their city, or a

talent that they want others to see. All in all, Lokalii is an app that fits well with the theory of experience design in tourism because both are based on experiences. The theory focuses on how to design memorable experiences for travellers, and Lokalii focuses on making experiences available to everyone. The theory of experience design in tourism should embrace apps like Lokalii, and it would be interesting to see more papers on the subject since there are more apps like this emerging in the market. Regarding the question asked in the title of this article, the answer is that a travel app can create memorable experiences. In this case, it is because of the personal that Lokalii offers; in the app when they physically meet, and what final impression the traveller has. However, in many cases, it is up to the traveller to define what a memorable experience is for him/herself. It also depends on what kind of experience that the traveller participates in. If travellers experience something exciting and entertaining and, moreover, make new friends, it can be argued that this leads to a memorable experience.

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Balanced Co-Existence of ‘de Jure and de Facto Independence’ in the Public Service Broadcasting Sector

By Apurva Kirti Sharma

Keywords: Public Service Broadcasting, Independence, Social-Responsibility, De jure, De facto, Neo-liberalism, Accountability

Abstract

With directives to deliver impartial news, current affairs and programmes, the social responsibility of media, mainly public service broadcasters (PSBs), is viewed as providing resources for serving democracy and full citizenship. Through these resources, public service broadcasting (PSB) builds the trust of the public in its public service values. However, the continuance of this public trust requires evidence of independence and adherence to institutional norms beyond the reach of vested interests — corporate and party political. This paper¹ aims to investigate critical challenges facing the independence of PSBs to uncover the significance of balanced co-existence of two aspects of independence — de jure and de facto — in the PSB sector. The main argument of the paper is that the disparity between the two elements of independence is widening due to vested interests. And narrowing of such gaps is vital for PSBs to serve the public interest.



1 - This article is based on three chapters of the unpublished MA (Research) thesis titled—De jure and De facto Independence of Public Service Broadcasters.

Introduction

Corporate social responsibility (CSR)² in the media industries falls within the boundaries of its products as information goods that could affect the mental and emotional activity of people (Jung, 2009). For this reason, the development of social responsibilities of media organisations, especially public service broadcasters (PSBs)³, is particularly intriguing (Gulyás, 2009, p. 659). Public service broadcasting (PSB) system is chosen because of its unique responsibility to operate independently of those holding economic and political power as it belongs to the public. Independence is necessary for delivering resources for full citizenship, i.e. impartial information, news and current affairs, culture, education and entertainment.

Independence is also crucial for enhancing social, political and cultural citizenship; creating "informed and enlightened democracy" (Jacka, 2002, p. 330) and promoting social cohesion (Council of Europe, 2004). But this sociability in broadcasting is questioned by Morley (2000, p. 110) arguing that each programme conveys signals that appeal to certain parts of the audience, inviting them to take part in the social life while at the same time signalling to other groups that this programme is not for them. Thus, he questions the idea of "addressing all citizens" and the everyday reality of PSB as being able to bridge all cultural and social differences demarcating class, gender or generations in any programme (Morley, 2000, p. 110). In this light, it is argued that he challenges the fundamental values of PSB such as fairness,

accuracy and impartiality, which dispute the independence of PSBs.

Independence is perhaps the most critical attribute of the PSB system, and crucial to achieving primary aims: universal access, diversity of perspectives and freedom from vested interests (Arendt, 1958; Keane, 1991). Geradin and Petit (2004, p. 49) describe independence as "the absence of pressures from political and industry interests." As an institutional principle for PSB, independence implies minimum interference by the state and the market (Klimkiewicz, 2013, p. 189). Interference is minimised so that public service institutions can accomplish their mission of serving the public interest through their full professional autonomy (Klimkiewicz, 2013, p. 189). This professional autonomy may best be defended through the board of directors (B.O.D)⁴, the parliamentary legislation such as broadcasting charters and Media Regulatory Authorities (MRAs) of public service media PSM⁵/PSB such as the Australian Communications and Media Authority (ACMA) or The Office of Communication (Ofcom) in the United Kingdom (UK).

Furthermore, when the concept of independence is used about PSB/PSM and MRA (Klimkiewicz, 2013, p. 189), it can be used interchangeably with the word "autonomy". The concept of autonomy, as mentioned by Dreyer (2013, p. 121) comes in two forms:

a) the first one is "the level of decision-making competencies of the agency";

2 - CSR was referred to as just "Social Responsibility" in the period before the rise and dominance of the corporate form of business organization (Carroll, 2008, p. 1).

3 - In this paper, occasional references have been made to Australia's public service broadcaster-ABC (Australian Broadcasting Corporation) and UK's public service broadcaster-BBC (British Broadcasting Corporation) while making arguments regarding public service broadcasting.

4 - Board of Directors will be referred as the board in this article.

5 - PSB has gained incredible acceptance in both developing and developed countries around the world. In parallel, the concept of social media and its role in widening the impact of PSB is receiving attention as a critical catalytic force in converting PSB to PSM. In this context, the term Public Service Media is used in place of Public Service Broadcaster/ing, in this article, at all occasions where all the portals of PSB, i.e. television, radio as well as online portals are referred. From here on, it shall be referred as PSM/PSB.

b) the second one is “the exemption of constraints on the actual use of decision-making competencies of the agency.”

Therefore, these two forms of autonomy can also be called *de jure* or formal independence and *de facto* or factual independence respectively. Various scholars have presented their opinions on the relationship between these two sides of independence and the factors that create disparity in this connection. In continuation, this article mentions that, in the field of PSB, the gap between the two aspects of independence is widening due to political and economic interventions. The primary research objective of this paper is to establish the significance of the harmonious existence of *de jure* and *de facto* aspects of independence in PSB sector. It analyses how these gaps might be better managed or minimised which is essential for the independent existence and accountability of PSBs towards their public.

This article is divided into three parts. The first part mentions the traditional concept of PSB and its social and cultural dimensions, the rise of neo-liberalism, its effects on the relationship of PSBs to their complex interactive audience and their independence. The concept of independence is explored in the second part of this paper. A discussion of this idea is taken up as an essential attribute of PSB along with evaluating the dimensions of the two aspects of independence *de jure* and *de facto*. Such an evaluation is required for listing the factors, such as party system polarisation and size of the markets that create gaps between these two aspects, which ultimately affects the accountability and performance of PSBs. The last part synthesises the discussions of section one, and two for establishing that “independence is must for PSBs for offering a publicly funded platform for citizens and audience to interact with one another and their society at large” (Sharma, 2015). This part presents recommendations about how these gaps between *de jure* and *de facto* aspects of PSBs’ independence might be reduced. Narrowing of this disparity is imperative for independent

PSB systems for conducting “independent corporate operations, professing corporate values of honesty, fairness, independence and respect” as their social responsibility (ABC House Committee, 2014).

Part 1:

Public Service Broadcasting: Social, Cultural and Political Contributions

PSB is commonly regarded to be one of the most influential tools for promoting citizens’ democratic participation (UNESCO, 2005, p. 6). It is also widely discussed as a means of disseminating information, analysis and diverse viewpoints to the public, which contributes in forming a constructive public opinion (Murdock, 1992; Collins, 2007; Debrett, 2010). Explaining the role of the “public” of PSB, Rumphorst (1998, p. 6) noted that “the public is not only the beneficiary of PSB and its paymaster but also its controller. It is only consistent, and it could not be any other way”.

It is not easy to define the concept of PSB. For the most part, it means broadcasting funded by the public purse that should produce news and education (Born, 2004, p. 79). United Nations Educational Scientific and Cultural Organisation (UNESCO) described PSB as broadcasting made, financed and controlled by the public, for the people. It is neither commercial nor state-owned, free from political interference and pressure from market forces. Through [public service broadcasting], citizens are informed, educated and entertained. When guaranteed with pluralism, programming diversity, editorial independence, appropriate funding, accountability and transparency, public service broadcasting can serve as a cornerstone of democracy (2005, p. 13).

It is implied in UNESCO’s definition of PSB that while PSB systems are held in state ownership for the benefit of the public, they

are protected from political interference through their governance policies and the legislative framework in which they operate. Those PSBs that are non-commercial, such as Britain's British Broadcasting Corporation (BBC) and Australia's Australian Broadcasting Corporation (ABC), are also free from the commercial pressures associated with selling airtime to advertisers. Taking a broader perspective, various other scholars define PSB as a "technology of citizenship" (Foucauldian approach) (Foucault et al, 1991) that provides the basis for the proposition that contemporary formations of citizenship are shaped by interactions between different authorities and the different ways in which they define "the public" (Nolan, 2006, p. 227).

Furthermore, the BBC early established what became universal goals for PSB - "to inform, educate and entertain." In addition to these three basic objectives, the chairman of the ABC, Hon James Spigelman (2012), AC QC, while speaking at the RIPE Conference in Sydney in 2012, proposed one more element "... a public broadcaster should interact with his audiences". The literature in which this research is grounded offers ongoing discussion and debate about the public interest justifications for and continuing relevance of the interventionist PSB system, and of independence — from government and vested interests — a key rationale for PSB that also underpins the other rationales as well. However, among the eight rationales of PSB, as identified by the BBC's Research Unit (Lawrence & BFI, 1986), the sixth rationale – "detachment from all vested interests and government to maintain editorial independence and freedom of expression in broadcasting" informs the central focus of this paper.

Rationales for Public Service Broadcasting

Many PSBs are based on fundamental established principles: universality of service, impartiality and freedom from vested interests, diversity in programming,

provision for minority audiences and information for an engaged electorate (Price & Raboy, 2003, p. 6).

In 1985, a Committee on Financing the BBC was established under the chairmanship of Professor Alan Peacock, to investigate the funding of the BBC, particularly the possibility of replacing the license fee with a subscription service. This recommendation was made by this committee, based upon expectations of Mrs Thatcher during the conservative Thatcher government, but was never implemented (Graham, 2005, p.79). It prompted the BBC to call upon its Broadcasting Research Unit (BRU) to justify its license fee funding system. Under the chairmanship of Richard Hoggart, the BRU assessed both commercial and PSBs to differentiate PSB, producing a booklet: *The Public Service Idea in British Broadcasting: Main Principles* (Lawrence & BFI, 1986). This booklet identified the following eight principles or the rationales of PSB that have been taken up by scholars as a starting point for analysing the value of PSB (Banerjee & Seneviratne, 2006; Franklin, 2001):

- Geographic universality;
- Universality of appeal or catering to all tastes and interests;
- Catering for the interests of minorities;
- Universality of payment;
- The sense of national identity and community;
- Detachment from all vested interest and government;
- Competition around sound programming rather than in increasing audience numbers;
- Public guidelines to liberate program makers rather than restrict them.

The first principle, geographic universality, declares that broadcast programmes should be available to all. The second principle, the universality of appeal or

catering to all tastes and interests, establishes that PSB should appeal to the mass audience and cater to all tastes and interests: regarding program genre, target audience and subject matter (Banerjee & Seneviratne, 2006, p. 20). Others again have proposed that diversity and universality are equivalent terms in the sense that PSB should aim to make "popular programmes" good and "good programmes popular" (White et al., 1987a, p. 2). The third principle, catering for the interests of minorities, positions PSBs in a special relationship to the needs and interests of the minority groups: including minorities of taste, minorities, disadvantaged in the wider society, young children, the poor and needy, people with special needs, the elderly and those of different race, cultural or religious background. The universality of payment, the fourth principle, signals the importance of PSBs being directly funded by the corpus of users, namely the BBC's license fee system. The fifth principle refers to a sense of national identity and community. PSB is commonly expected to reflect the national identity, providing a forum for all citizens to express their needs, concerns and interests, creating a shared sense of national identity (White et al., 1987a, p. 2). The sixth principle, detachment from all vested interest and government, relates directly to the independence of PSB. This principle implies the need for strong institutional governance arrangements for maintaining independence and freedom of expression in PSB. Independence as a key attribute of PSB is intended to shield the system from political pressures and commercial interests, both in programming and news coverage thereby serving "plurality of opinions and an impartial, informed electorate" (Banerjee & Seneviratne, 2006, p. 19). The seventh principle, competition around good programming rather than in increasing audience numbers, emphasises competition amongst producers for quality programming rather than for audience ratings, a critical challenge for public service systems in a pluralist society (Born, 2004, p. 79; Nissen, 2006, pp. 65-

82). The eighth and final principle, public guidelines to liberate program makers rather than restrict them, acknowledges the importance of the free flow of ideas and opinions, freedom of expression, experimentation and innovation. To ensure such freedoms, it is important that regulations are "permissible and not restrictive" (White et al., 1987a, p. 2).

These principles for PSB reflect the delicate relationship between media and citizens, mass taste and minority interests, the demands of audience and autonomy of the broadcaster along with its duty to serve the public interest.

Serving Social Cohesion, Citizenship, National Identity & Democracy

PSB has had two broad social functions to perform. The first one is to expose the entire nation to the more delicate aspects of culture. And the second one is to inform the whole population, thus enhancing their ability to exercise citizenship in a variety of ways including national elections (Jacka, 2002, p. 331). The media's role in guaranteeing citizen participation means providing full access to the broadest range of information to facilitate participation (Murdock, 1992, p. 21). This concept of "media citizenship" is based on a theory that the public can be engaged via media resources that contribute to their national and cultural identity, thereby establishing a foundation for their participation as active citizens, rather than being passive consumers (Schudson, 1994). While PSBs are widely perceived to deliver resources for full media citizenship, private commercial broadcasters, driven by the need to make a profit, are regarded as focusing on consumer satisfaction rather than the needs of citizens (Freedman, 2008); although, with globalisation, definitions are shifting.

Spigelman (2012) asserts that it is a defining characteristic of PSB to treat its audience as citizens and not as consumers, an assessment also supported by Rumphorst (1998, p. 3). While it is common for organisations to treat people as consumers, Rumphorst points out that “the person’s interest as a ‘consumer’ is only one part of the person’s status as a citizen” consumers have desires or needs whereas citizens have “rights and duties” (Spigelman, 2012). The relevant public interest of these discursive figures of consumer and citizen has been the focus of a longstanding debate in the field of media and communication (Clarke, Newman & Smith, 2007). This discussion is closely connected to the concept of PSB independence, with freedom from vested interests deemed critical to the delivery of impartial information and analysis necessary for citizenship (Murdock, 1992).

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Describing PSBs as the agora, drawing connections to early Greek democracy, Tony Mary (2004, p. 94) noted that “public service broadcasters, independent of political and commercial pressures, are a guarantee of independent, trustworthy and impartial information.” However, free speech is essential for PSB for providing resources through which both “individual and collective identities are constituted”, thus providing “a common culture and constructing the un-coerced opinion of civil society”, independently of “political influence” (Dahlgren, 1995; Nolan, 2006, p. 229). Censorship by the government

is one of the external constraints on free expression explored by Isalah Berlin (1969) in his lecture on “Two Concepts of Liberty” — negative and positive freedom. In 1989, referencing the dependency of British broadcasters on government, Rupert Murdoch asserted that such dependency results in “less than independent, neutered journalism” (Murdoch, 1989). A counter-argument to this notes that non-commercial government-funded space is a better platform for protecting journalism independence and that such area cannot be provided by the business (Smith, 2002, p. 287). McNair (2011, p. 46) also argues that whether the threat comes from political or economic interests, it is vital for the civil society that PSBs remain independent from all external vested interests, to maintain the professional ethics of objectivity in reporting and to distance opinions from factual reporting.

However, as Mulgan (2003, p. 1) notes, with independence comes power and there is always a suspicion of abuse of this power by public institutions. Thus, the independence of PSBs, in their capacity as public institutions defending the public interest, calls for public accountability. Even though accountability is a slippery term (Muller, 2005, p. 42), with many definitions, holding PSBs accountable usually means making them responsible for finances, fairness, and performance. In this context, focusing on the relationship between PSB and government, the following section, explores the impact of neo-liberal policies on broadcasting regulation and PSB.

Neo-Liberalism, Digitalization and Deregulation

Global media and communications technologies now connect people across the world, crosscutting the boundaries of nation-states, enabling a dynamic global

marketplace and contributing to the emergence of a sophisticated transnational culture (Lunt & Livingstone, 2012, p. 1). Tomlinson (1999) defines globalisation as “an empirical condition of the modern world” while Lunt and Livingstone (2012, p. 1) refer to it as complex connectivity, noting “globalisation refers to the rapidly developing [...] network of interconnections and interdependencies that characterise modern social life”. In the new digital and online environment, the PSB goals devised by Reith — “to inform, educate and entertain” — have evolved and expanded with Dyke’s addition of “connect” (Born, 2004, p. 486).

Digitalization has brought in a new wave of on-demand media enabling television via the internet (Internet Protocol TV), and user-generated content (UGC), forms which are characterised by always-on availability and global reach (Thompson, 2006). To make their content more convenient, relevant and available, PSBs have started narrowcasting via digital on-demand forms such as podcasts, and vodcasts (Debrett, 2010, p. 197). These new delivery modes constitute a shift towards the economics of niche audiences

away from addressing the audience as citizens, creating tensions between the market and public service values. If PSBs are to retain public trust such tensions need to be openly acknowledged and addressed in governance structures to maintain public accountability (Feintuck & Varney 2006, p. 40). The complex connectivity of globalisation and digitalisation discussed earlier has led to deregulation, thereby challenging government control over markets, social life and culture in keeping with the individualism underlying neo-liberal economic policies (Lunt & Livingstone, 2012, p. 2).

In the 1980s, widespread adoption of neo-liberal economic philosophy, along with the emergence of multi-channel technologies, prompted questions about the relevance of PSB (Freedman, 2008; Hamelink, 2002) and opened new user-pays models of production⁶ and distribution (Debrett

6 - The neo-liberal ideological position is that the “market will create, generate and support on its own, without any necessary government funding” eliminating the need for public investment in broadcasting (Jolly, 2011, p. 35).



2010, p. 16). Neo-liberalism favours consumer sovereignty, an ideological concept that deems the consumer to be sovereign of their consumption by their pay for it, an idea, which is the antithesis of PSB (Makwana, 2006). Hence, as noted by many, neo-liberalism is at odds with the rationales for PSB particularly that of "offering universal access and coverage" to citizens. With the implementation of neo-liberal policies, citizens are treated unequally as consumers depending on their spending power (Knoll, 2012, p. 71). It runs counter to the equality of opportunity for citizenship promised by PSB (Feintuck & Varney, 2006, p. 19). Therefore, in respect to its social and civic role, PSM/PSB needs to devise ways of ensuring that the cornucopia of information becomes "accessible to all the citizens and is not only packed as market commodities or targeted to elites" (Price & Raboy, 2003, p. 206).

Further, neo-liberal ideological tendencies represent PSBs as little more than liabilities for the public purse, fuelling contemporary

debates about their funding (White et al., 1987, p. 4). Advocates of neo-liberalism support the deregulation of markets and argue that the market should be left to regulate itself, with regulatory agencies only as a last resort. The interests at stake are not just pecuniary or technological but in the case of media and communications are also social, cultural and most importantly democratic (Lunt & Livingstone, 2012, p. 18). With the convergence of the telecommunications and broadcasting sectors, statutory, regulatory bodies have also been merged giving rise to super-regulators such as Ofcom in the UK and ACMA in Australia. Since the centralisation of regulatory control within a single entity in these converged sectors, some have argued that commercial and publicly funded broadcasters should be regulated under the same systems. The defence of dedicated regulation for PSBs, outside the market regulator, may well be critical for the future of PSB independence.

The next part of this article will discuss the notion of independence in the context of PSBs, in relation to two concepts: *de jure* and *de facto*.



Part 2:

Concept of Independence for Public Service Broadcasters

In English and German, the concept of independence is interpreted in a negative sense, as “the absence of dependence” (Schulz, 2013, p. 5), which leads Schulz (2013, p. 5) to suggest that “autonomy” would be the most suitable positive synonym. Dreyer (2013, p. 114) defines independence as the antonym of “dependence”, implying “freedom from the control of influence of another or others”, meaning “no externally imposed constraints”, and “immunity from arbitrary exercise of authority”. The dependency of broadcasters, on the external factors of social interaction with their audience and other media players, as well as their financial resources, knowledge and external regulation may make it impossible for them to achieve absolute autonomy (Dreyer, 2013, p. 117). Thus, independence in an institutional and social context is accepted and understood as a relative not perfect concept. In line with this proposition, the article argues that the two sides to independence *de jure* and *de facto* are invariably distinct from one another, yet cannot exist without the other. These two aspects of independence will be discussed in the next section.

Independence, according to Klimkiewicz (2013, p. 190) minimises the “external dependency” of PSB/PSM on the “political realm, the media market (specifically the role of advertising and sponsorship) and the socio-cultural environment (support and claims of various social groups)”. The bipolar relationship between independence/autonomy and external dependency exists because their meanings “are associated with both value-ridden and value-free qualities” (Klimkiewicz, 2013, p. 190). Independence/autonomy may minimise the external dependency of PSBs on economic and political factors, but it may also minimise their dependency on certain positive determinants such as “the public” and “the audience” (Klimkiewicz, 2013, p. 190). It has been argued

that this might undermine the relationship of PSBs to “the public”, jeopardising the entire concept of PSB.

White, McDonnell and Way (1987a) propose that although the principle of independence is fundamental for PSBs, it could potentially imperil democracy. They suggest that the rules governing the negative determinants of PSB/PSM external dependency — political and economic influences — are ambiguous and opaque since it is not clear what constitute legitimate political pressures (White et al., 1987a). Thus, it is argued that independence and regulatory theory are not two different concepts but two various features of the same idea (Schulz, 2013, p. 6). Koehane and Nye (2000) observe a gradual shift away from the “regulation paradigm” to the “concept of governance” that refers to a system of norms, rules, laws, protocols, charters, agreements and guidelines to direct and restrict the activities of any institution not always conducted by the government.

Under the governance approach, the independence of an object or institution can be assessed by analysing “dependencies” and “autonomies” that refer respectively to “factors that enable another object to control the object of which the independence is in question and the factors that make it more likely for that object to act according to its own rules rather than giving in to pressure from outside” (Schulz, 2013, p. 7). Dreyer (2013) compares this to the concept of autonomy and its two types – *de jure* or formal independence and *de facto* or actual independence — mentioned previously.

Types of Independence:

De jure and De facto

The preceding discussion explains that within any governance structure, the concept of independence is not only governed by the regulations laid down in the formal law but also by “dependencies” and “autonomies” based on social norms

rather than formal regulations (Gilardi, 2008, p. 4; Schulz, 2013, p. 8). This approach focuses the discourse around independence on two iterations — de jure and de facto aspects of independence (Gilardi, 2008, p. 4; Schulz, 2013, p. 8).

The normative framework that constrains any potential external interference in institutional operations establishes the de jure independence of an institution (Schulz, 2013, p. 9). Here, the normative framework refers to all the provisions, standards and procedures that are embedded in written codes, laws, bylaws, agreements, charters, guidelines, regulations and similar legal documents (Dreyer, 2013, p. 122), which direct or restrict the activities of any institution (Koehane & Nye, 2000, p. 6). The degree to which this governance system works to shield the institution against threats or inducements is its de jure independence. In the field of PSM/PSB, all these elements of governance contribute to the autonomy of the broadcasters de jure independence. However, the concept of autonomy, similar to independence, is never an absolute concept. There is always an element of external dependency and potential challenges to this institutional independence. In the case of PSM, it may be characterised through a competitive and complementary relationship with other actors in the media landscape (Blumber & Hoffmann-Riem, 2002).

Competition amongst media players arises in some circumstances: the size of the market, a share of viewership, quality, innovation, professionalism, standards, social relevance and serving the public interest. However, complementary functions arise due to the narrowing imperatives of media markets: preserving the social values neglected by other media actors (commercial media), providing overall quality and diversity to the audiences (Blumber & Hoffmann-Reim, 2002), and forming an enlarged public opinion through representativeness and impartiality (Arendt, 1958). Therefore, the independence that is enjoyed by an institution according to the law (de jure)

is likely to be different from the reality of actual practice (de facto independence), due to external dependency leading to various constraints.

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De facto independence is defined by Maggetti (2007) as the practical independence of agencies to manage their day-to-day regulatory actions. This term can also be extrapolated from Majone's seminal paper (Majone, 1997). In this paper, de facto independence is referred in the context of regulatory authorities as "the autonomy enjoyed by them in their decision-making process", while Nordlinger (1987, p. 361) presents it as an "autonomy to be able to translate one's preferences into authoritative actions, without external constraints". Hanretty (2010) a leading researcher in this field, consolidates these features of de facto independence within the framework of PSB and defines de facto independence from political influence:

The degree to which PSB employees take day-to-day decisions about their output or the output of their subordinates, without receiving and acting based on instructions, threats or other inducements from politicians, or the anticipations thereof; considering whether the interest of those politicians would be harmed by choices about output (Hanretty, 2010, p. 76).

There have been different opinions about the relationship between these two aspects of independence. Irion and Ledger observe that de facto independence cannot be entirely separated from formal

independence as the two complement each other at least to the degree that the actual situation complies with the legal provisions (Irion and Ledger, 2013). The term *de facto* independence, however, is not limited to the type of compliance as it requires further delegation of powers, organisational autonomy and the absence of external constraints or influence (Irion and Ledger, 2013). Gilardi and Maggetti (2011, p. 2) and Baudrier (2001, p. 7) assume that *de jure* and *de facto* independence do not necessarily coincide with another point of view which is in line with system theory⁷ and one of the leading positions of discussion regarding these two aspects in this paper.

The next two sections of this part evaluate common characteristics of *de jure* and *de facto* independence.

Evaluating De Jure Independence

Due to the tangible nature of *de jure* independence, its formal criteria, as discussed earlier, are the primary assets for any assessment of the regulatory independence of an organisation (Irion & Ledger, 2013, p. 144). As already explained, for PSB/PSM (and MRAs), any assessment of "independence" must consider the relationship between autonomy and external dependency across time in any given culture and geographical context (Klimkiewicz, 2013, p. 192).

The interaction between PSBs and their external cultural and geographic context is necessary to identify those factors most likely to weaken PSB independence (Dreyer, 2013, p. 120). Adopting this strategy, Dreyer (2013, p. 126) recommends five criteria for evaluating independence: i) "status and power"; ii) "autonomy of

decision makers"; iii) "financial autonomy"; iv) "knowledge"; and v) "transparency and accountability mechanisms". Gilardi (2001, 2002, 2005, 2005a, 2008) notes that the credibility of the regulator (which can be referred to as a broadcaster in case of PSB internal self-regulatory processes) is linked to its formal independence. Drawing on the model of Cukierman, Webb and Neyapti (1992) Gilardi identifies key dimensions of formal independence: "the status of the head of the agency, [...] the status of the management board [...] the relationship with the government and legislature, and the financial and organisational autonomy" (as cited in Irion & Ledger, 2013, p. 145). Assessing the operation and independence of PSB/PSM in Poland, Klimkiewicz (2013, p. 192) categorises the criteria mentioned above into four dimensions of autonomy and external dependency: i) appointment procedures and management; ii) accountability; iii) financing mechanisms; and iv) performance.

Klimkiewicz's model for assessing *de jure* independence, albeit a quantitative one, offers the most recent research approach and integrates all factors raised by other researchers.

Identifying the board appointment procedure and role of management are particularly important in measuring the formal independence of a broadcaster, Klimkiewicz (2013, p. 193) argues that when appropriately managed, board composition can be guaranteed as fair and independent without any vested political or economic interests. Recruitment of management and governing board members should be based on professional requirements rather than external power/influence (Klimkiewicz, 2013, p. 193). There are two particularly important factors involved in the appointment of board members: first the guaranteed security of board-membership tenure (to alleviate

7 - This theory states that the functions of autonomous media systems such as PSB institutions can only be fulfilled if there is absolute factual (*de facto*) autonomy that is not normative (*de jure*) or pre-conditional (Luhman, 1997, p.707). But this does not undermine the importance of normative concepts in protecting the factual independence against interference and guarding the functions of a specific institution, which in this case are the PSBs (Schulz, 2013, p.8).

the fear of government retaliation taming board actions), and second the protection of remuneration from political manipulation (Mendel, 2000).

However, the independence of a board is not the same as editorial independence, which is the fundamental mission of de jure provisions. All rules and regulations must support freedom in the day-to-day editorial decisions, preserving these from any interference from the board of Trustees.⁸ The latter, Mendel observes, should liaise with the broadcaster and government without compromising editorial independence (Mendel, 2000).

The independence of PSBs can be assessed through the prism of appointment procedures and management. At the same time, the normative fundamentals and functioning of these procedures and management within each broadcasting institution reflect the dimension of accountability. In this sense, as Klimkiewicz (2013, p. 193) notes, prompts the question - what kind of accountability and to whom? Accountability is essential for PSBs, ensuring that they remain faithful to their public service obligations/responsibilities and the public interest (Mendel, 2000). But this invites questions about who PSBs are accountable to and in what proportions and about which mechanisms ensure such accountability. Broadcaster accountability comes in various kinds, for example, administrative accountability, which implies that superiors are answerable (Klimkiewicz, 2013, p. 193). Blind (2011) notes various mechanisms for ensuring administrative accountability such as auditing, evaluation or other oversight measures for monitoring performance and the implementation of management requirements as detailed in law, rules or regulations.

Goetz and Gaventa (2001, p. 7) suggest another form of accountability - legal accountability. It is directly linked to the rule of law where the judiciary keeps a check on the actions of officials and managers and guarantees that they act within the "mandates of their legally prescribed competencies" (as cited in Klimkiewicz, 2013, p. 193). Legal accountability is not only ensured from sources outside but also from within the corporation by the board⁹ or the trustees who are responsible for assessing its performance to provide a high degree of objectivity, a point discussed below.

Additionally, Blind (2011, p. 7; cited in Klimkiewicz, 2013, p. 194) mentions a form of political accountability, which he defines as "the obligation of the elected officials to answer to the public, and of the public servants to answer to the elected officials and is ensured through elections and the legislative system..." In the context of PSB, this refers to the accountability of the board to the main legislative body or Parliament (Mendel, 2000), usually through the "annual reports"¹⁰. Another form of accountability is social accountability, which relates to the engagement of citizens in public affairs through various direct/indirect civil society initiatives (Klimkiewicz, 2013, p. 194). It refers to how PSBs stay in touch with public opinion — through polls, surveys, seminars, regular public meetings and advisory committees (Mendel, 2000). Along with these resources, PSB online portals also provide a platform for audiences and broadcasters to connect and interact directly with each other, marking the transition of PSB to PSM. However, this platform also brings challenges — new accusations of unfair competition with commercial broadcasters and the issues of moderating user-generated online content

8 - BBC board members are now designated as The Trustees after changes brought to the BBC's structure in 2005.

9 - Directors take fiduciary responsibility.

10 - The reports contain information about the following matters of PSBs: financial accounting, audited accounts, information about its compliance system and likewise (Mendel, 2000).

— which will be discussed below. This matter of finding a balance between public participation as being accountable and editorial accountability for the nature and quality of user-generated content (UGC) is one of the most critical issues for PSB accountability.

The complaints process is one of the principal tools for delivering this accountability. The complaints system also serves legal accountability, although it is arguably more relevant to PSBs' social responsibility to address public grievances about serving the public. The structure of the complaints system is one of the components of *de jure* independence but the actual decisions undertaken to reflect *de facto* independence. Further, the more the complaints made, the more *de facto* independence is established. Thus, the *de jure* and *de facto* editorial, administrative and regulatory independence of PSBs to broadcast, while maintaining a safe distance from external political and financial constraints, is guaranteed by their rigorous accountability mechanisms (Sharma, 2015, p. 142).

The next dimension of independence is funding. There is a range of overlapping broadcasting models of ownership and control, from state-controlled to public service broadcaster, to private commercial ownership (Buckley et al., 2008, p. 35). Each of these models is defined by the unique dynamics in which they exist and the different methods by which they are funded. One amongst them is PSB model, which is independent of both governmental and commercial interests and is directed to serve the public interest. It operates under statutes explicitly sanctioning editorial independence, freedom of expression and sovereign governance arrangements. It also renders financial independence to PSBs, while making them accountable to the public. This raises another proposition, that funding might be a criterion by which to measure the independence of the PSB, although not the sole criterion.

Financing mechanisms affect the quality of the broadcasting and the autonomy of the broadcaster (Klimkiewicz, 2013, p. 194). But Barnett and Docherty (1987) claim there is no evidence that the method of direct funding, such as that of the Australian Broadcasting Corporation (ABC), allows for any more political interference in programming and news than the license fee method like that of the BBC. In this vein, White, McDonnell and Way (1987) argue the independence of PSBs is not determined by the method of financing but rather by political pressure, which is one of the few factors differentiating *de jure* and *de facto* independence. Thus, the funding of PSBs should be substantial, predictable and must guarantee their independence from the political and commercial pressures while upholding PSB values which is their prime responsibility. It is a central argument for this paper underlining the various rationales, and the different dimensions of PSB independence as discussed above.

Further, the complementary and competitive functions of PSB/PSM, as explained earlier, differentiate them from the market-driven media (Klimkiewicz, 2013, p. 194). Such differences, evident in the Charter provisions for informing, entertaining and educating are assessable as performance or programming, the fourth dimension of independence (Blumberg & Hoffmann-Reim, 2002, p. 207).

Editorial independence is evidenced by the fair and impartial news and current affairs an integral aspect of the civic role of the PSBs commonly referred to the "flagship" of PSB and widely acknowledged in Charter aims for freedom from the "vested interests of commerce or government." The distinguishing quality of PSB news that makes it so valuable is public trust (Debrett, 2010, p. 188). Trust as defined by Bakir and Barlow (2007, p. 110) is a "complex phenomenon comprising many subtleties with three features as its core — rationality, faith and confidence." And as Biltreyst (2004, p. 342) explains, there is a close connection between public trust and the traditional PSB ethos and values

of impartiality, independence, diversity, quality, truth, integrity and accuracy.

PSB/PSM has played an active role in engaging and building the trust of the public, by delivering diverse special interest programming and providing a platform for interactions, to bridge a gap between social and cultural differences and therefore proving the public value of the broadcasting (Giddens, 1994, p. 186; Bardoel & Brants 2003, p. 169; Debrett, 2010, p. 206). With the introduction of new digital platforms, PSBs in transitioning to PSM changed how citizens are informed: the public now interacting with content providers online (Cinque, 2007, p. 97), and by extension through the social networking activities of these broadcasters.

However, PSM faces various challenges with the emergence of this new on-demand, interactive, cross-platform programming and the influence of neo-liberal policies. One of those problems, the accusation of unfair competition comes from private providers of new media businesses that fear losing audience share and advertising revenue (Jolly, 2011, p. 21). Another challenge for PSB content online is its moderation. There are ambiguities associated with the regulation/moderation of the online content of PSBs, such as the use of external hyperlinks, global availability, and the compromising of editorial independence and integrity that comes with open public commentary. Many of these were raised by a 2000 Senate inquiry into ABC online over the ABC's negotiations with Telstra for expanding ABC's services and building more revenue, a deal that was terminated following public disclosure (ABC, 2000). Such expanded interactive potential of PSM/PSB is a threat to the delicate relationship between the audience and the broadcaster and that "the most valuable asset is public trust" (Debrett, 2010, p. 215). Somehow PSM/PSB must manage and moderate its online content to preserve both user interactivity and that investment of public trust on which continuation of public funding depends. In this regard, various measures

are mentioned in conclusion, adopted by the BBC and the ABC for moderation of their own UGC in their newsrooms.

Evaluating

De Facto Independence

The evaluation of de facto independence relies mostly on (qualitative) social science research methods such as expert surveys, as recommended by Cukierman, Webb and Neyapti (1992). Existing literature indicates that measuring independence in practice — de facto independence — is difficult as it often cannot be substantiated by empirical evidence (Irion & Ledger, 2013, p.146). Pedersen and Sorensen (2004) suggest conducting semi-structured interviews whereas Maggetti (2007) proposes media content analysis for assessing the regulator's reputation (Irion & Ledger, 2013, p. 146). Maggetti's (2007) "reputation" or Gilardi's (2002) "credibility of the regulatory body" is among the functions of de facto independence which are extremely hard to measure objectively (Irion and Ledger 2013, p. 146).

Empirical research on the evaluation of de facto independence is often conducted via suitable proxies as indicators of de facto independence, but these vary widely according to data and assumptions (Irion and Ledger, 2013, p. 146). It is difficult to identify the indicators of de facto independence, such as those leading to the politicisation of PSB board appointments (Gilardi, 2002; Hanretty and Koop, 2012).

De jure and De facto Independence: Relationship in Public Broadcasting Sector

Four factors differentiate the two sides of PSB independence according to Hanretty (2009, p. 17). These factors also



elucidate political autonomy with three of the four derived from existing media studies scholarship (Hanretty, 2010). The first element refers to bureaucratic partisanship. Surviving in the same normative framework and same political arena signifies that PSBs will share some standard features with the government bureaucracy (Hanretty, 2010). Hanretty (2009, p. 17) noticed that in the model of political-bureaucracy which includes party-politicisation, bureaucrats are used to receiving and either accepting or denying the partisan orders from the politicians according to their professional norms.

Hanretty's (2009, p. 39) next reason, which potentially creates the difference between *de jure* and *de facto* aspects of independence, is the size of the news market, which refers not to the sector's total profitability, but rather to overall consumption. Hanretty (2009, pp. 39-44) also proposed that "the larger the market for news in each country, the more likely journalists in that country are to embark on a professionalisation project, producing rules which raise their status". However, the size of news market is considered only to the extent

that larger markets may better enable highly professional journalists to move into top executive positions and become responsible for formulating the rules or guidelines for their profession. Recruitment of journalists with a less professional approach implies a lowering of professional standards that may well only defend ideas held by "particular identifiable groups of the society" (Hanretty, 2009, pp. 39-44).

The factor of the size of the markets could also be understood regarding the free market ethos of neo-liberalism that challenge PSB through deregulation and the user-pays models of media production and distribution. The rise of neo-liberalism and the consequent significance of these markets are contributing factors to the space between the *de jure* and *de facto* aspects of PSB independence because of the pressure it places on publicly funded media.

Party-system polarisation, Hanretty (2010) suggests, also affects the independence of broadcasters. This view is reflected in the claim of Oliver Whitley, chief assistant to the BBC Director-

General, that “the nation divided always has the BBC on the rack” (Briggs, 1979). Thus, “the party-polarisation has been cited both as a correlate of media systems and as a specific explanation of low levels of independence in PSBs” (Hanretty, 2010). It has been observed that the ruling party always makes claims of bias against the PSB, with their views changing once they move to the opposition (Jolly, 2011, p. 26).

Hanretty (2009) also notes that de jure independence is sometimes used as a proxy for de facto independence which makes the concept of de jure independence unclear and blurs differences between the two. The de jure independence of the broadcaster rests in its legal provisions. These may invoke the moral suasion, which implies that the politicians and journalists feel their commitment to maintaining independence with the acceptance of these regulations; or they might create space for independent behaviour (Hanretty, 2010). This autonomous behaviour could refer to PSBs taking independent decisions regarding management, programming, funding or their self-regulatory systems. Regarding politicians, it relates to interventions sanctions, rewards and appointments, those who rely on the “legal possibilities open to politicians in virtue of their office” (Hanretty, 2009, p. 33).

Apart from these direct legal interventions, politicians might also intervene indirectly by writing letters to the PSB criticising its coverage, by meeting management members to discuss issues; by threatening to induce funding cuts or organising licensee fee non-payment campaigns and likewise (Hanretty, 2009, p. 33). Indirect intervention, according to Hanretty (2009, p. 34) may not be as intimidating to broadcasters as the legal interventions because “indirect” intervention depends on the “politicians” ability to take further legal actions. Such methods can have a psychological effect on the broadcaster, however, triggering consciousness amongst the executives or journalist against repeating such incidents (Hanretty, 2009, p. 34).

(...) it is argued that the political and economic interventions can each contribute to the disparity between de jure and de facto aspects of independence.

In conclusion, it is argued that the political and economic interventions can each contribute to the disparity between de jure and de facto aspects of independence. Furthermore, as drawn from the preceding arguments, that although digital platforms have introduced a new element of accountability for the PSM/PSB, there are still many issues related to the content moderation of audience interaction due to its spontaneity, ambiguity and the hidden possibilities in it for commercial exploitation. The latter subsequently intensify political and financial pressures and risking public trust in these institutions (Debrett, 2010, pp. 214-216). It may also increase the space between de jure and de facto aspects of independence of PSBs.

The following conclusion offers recommendations and suggestions about how this disparity might be narrowed to better defend the independence of PSB system in the future for ensuring its public service obligations/ responsibilities.

Part 3: Conclusion

The previous section found that political and economic intervention could each contribute to the disparity between de jure and de facto aspects of independence. The accountability mechanisms for better shielding the public broadcasting sector from all external vested interests, both political and economic rationale of PSB along with the appropriate moderation protocols to manage public interaction online, are needed as “independence and accountability are inter-dependent and any

alterations to the accountability apparatus appears to affect the de jure and de facto aspects of independence exercised by the PSBs in their roles.” (Sharma, 2015, p. 143) The following conclusion, based on the research findings of this paper, offers three recommendations and suggestions about how this disparity might be narrowed to better defend the independence of the PSB systems in the future by increasing their accountability which is necessary for performing their social responsibilities.

1. Legislation, PSBs and De jure and De facto Independence

The legislation governing PSBs needs to grant these institutions genuine independence and protection. The rigorously drafted law is one of the most effective ways to depoliticise the boards of PSBs and guarantee both de jure and de facto independence while eliminating bureaucratic partisanship and party politicisation. The above arguments of this paper established several factors to be considered in drafting PSB legislation.¹¹ Legislation should set out the powers and duties of the board members, panel members, regulators and the principles of good governance to be followed by them for upholding transparent and fair procedures. It is necessary for maintaining arm’s length independence from government and other factors that narrow the space between the two sides of independence.

In this context, the second recommendation is the enhancement of public engagement in the matters of governance of PSBs for maintaining their public accountability, which is again required in the interests of narrowing the disparity between de jure and de facto independence.

2. Enhancing Public Engagement

The advent of digitalisation and PSM has brought new methods for producing and presenting news including user-generated content (UGC), enabling public participation in the news production process and serving PSB charter directives to be innovative (Jolly, 2011, p. 23). Public participation is a key for upholding public trust in PSB institutions (Debrett, 2010, p. 216). The higher an institution ranks in surveys of public trust, the more independent it is deemed to be (Bakir & Barlow, 2007, p. 5). The integration of UGC into PSB online content and TV programming offers a more demonstrative form of public participation and accountability. PSBs such as ABC have subsequently developed multi-level moderation systems to manage interactions and protect their different audiences online.

Empowering the public by enabling them to contribute to news bulletins, UGC also offers a means of building engagement with youth audiences, accustomed to sharing via social media. However, maintaining editorial values across blended professional/amateur (ProAm) content such as this requires the execution of very skilled judgement, given the need for speed and currency and the risks of accidental or deliberate inaccuracy or misinformation in public contributions.

The interactive portals of PSBs thus raise new issues: the accountability of online content; claims that they constitute unfair competition for commercial broadcasters, and represent a costly and unnecessary replication of services provided commercially. The content produced via UGC and audience participation online does challenge professional norms and PSB values such as objectivity and impartiality.

¹¹ - Factors such as the appointments and termination procedures of the board members, knowledge and experience of the board members, a separation between matters of policy and execution while forming the broad and the selection process of the board members.

The tension of new interactive services is evident in observations about the BBC's editorial system: "techies have gained definitional powers in the newsroom and have acquired sufficient capital to start affecting editorial practices and decisions about what to publish of the UGC" (Bélaïr-Gagnon, 2013). Discussing the role of a "techie" in the monitoring of PSB values such as impartiality, Beliar-Gagnon notes that "tech-savvy journalists" are now involved in social media-related projects such as the UGC Hub in the BBC newsroom (2013). Besides, "tech-savvy journalists" have "appropriated verification processes" developed through editorial guidelines including social networking guidelines and Twitter guidelines.

In the context of the television newsroom, where a speed of delivery is critical, integration of UGC puts new stresses on fact-checking and assessment of balance and other professional norms. Beliar-Gagnon (2013) observes that embracing of the participatory possibilities of digital media has resulted in a weakening rather than strengthening of accountability mechanisms. Such issues have the potential to diminish public trust in the institutions of PSB. However, it is suggested that adequately moderated online UGC along with other techniques for eliciting public interaction, like polls, surveys and focus groups, maintain the accountability of PSBs towards their public, contributing citizen-generated news and content alongside professional services (Bakir & Barlow, 2007, p. 84). To exemplify, in 2011, new ABC editorial policies and standards were introduced for the moderation of UGC (ABC, 2011). Three levels of moderation are detailed in the ABC online editorial policies; these accommodate the needs of different audiences by offering varying degrees of protection or freedom. The first level is the "pre-moderation that enables the ABC to manage sites where the risk associated with publishing inappropriate content is high". The second level is the "post-moderation" where all posts are moderated after they appear online and

the risk of appropriation is low; and the third level is labelled "reactive moderation" where the posts are only moderated if there is an alert from a user for the moderator (ABC, 2011). The role of a moderator is to keep the interactive space open for the public, to editorially justify the content and to maintain the consistency of external hyperlinks. In this way, moderation enables different categories of citizen-consumer to interact directly with the broadcaster and each other, enhancing the de facto independence of the ABC while ensuring that the language and the tone of UGC follow PSB values of accuracy, impartiality and the expression of critical and negative opinions.

Political will to uphold PSB independence offers the most significant protection for those broadcasters with well-developed governance systems for their accountability. Both independence and accountability (as discussed in previous sections) are balanced in PSB governance arrangements (Buckley et al., 2008, p. 197), but this balanced relationship often gets disrupted during emergencies by state intervention (Hale, 2010, p. 52; O'Connor & Delaney, 2009). However, the findings of this paper combined, with the previous discussion of interactive media and UGC, suggest that appropriately moderated, enhanced public participation offers an effective means of mediating state intervention and market pressure on PSBs, both of which exacerbate disparity between de jure and de facto independence. It would enable more sense of ownership by the public who fund these broadcasters. Public awareness of public ownership is established through better modes of public engagement with the public broadcaster. In the future, this could include more sophisticated software that better manages online comments threads in the public interest, without curtailing free expression. The participatory models of communication such as UGC provide space for expression, interaction and innovation while broadening a broadcaster's representative capacity. PSM needs to

embrace such participatory platforms more fully by better integrating them into mainstream programming while ensuring that all governance protocols are also adapted satisfactorily, as discussed above.

3. Future Possibilities for PSB Independence

The last recommendation for narrowing the disparity between the two sides of independence relates to the following:

A) External Regulatory Arrangements of PSBs:

It is recommended that the PSBs should be externally regulated by commercial regulators, such as Australian Communications and Media Authority (ACMA) and Office of Communication (Ofcom) (for the ABC and BBC respectively). However, as suggested, the external regulation of PSBs should be by a non-governmental accountability body that is funded by the industry and cooperates with the complaint process. This suggestion is similar to the kind of an organisation recommended by the Convergence Review committee, established in 2011, in its final report, that examined “the operation of media and communications regulation in Australia and assessed its effectiveness in achieving appropriate policy objectives for the convergent era” (Boreham, 2012).

The committee established a need for an independent communications regulator that should be a small organisation, which does not have to administer the existing complex system of broadcasting licensing as ACMA does (Boreham, 2012). It further suggested that the independent regulator should be a statutory body independent of government, especially in its staffing and finances, so that, it can make decisions independent of its political cycle (Boreham, 2012, p. 15). The regulator, it was also proposed, should be able to develop most efficient and effective methods for dealing with complaints, and the objectives of regulation should be stated in its legislation for regulator’s accountability towards

its public. However, the provisions long established for public service broadcasting were left intact.

B) Security of Funding:

The final factor, which is essential for the independent survival of PSB, is the security of financial supply. It is observed that the role of the government is to administer the revenue from taxation for the budget of the PSB, and not to control it (Sharma, 2015). Arguments have been developed favouring various modes of funding, but ultimately political will is the crucial determinant for PSB independence and integrity, rather than the funding model, as already established.

Additionally, a transparent and fair appointments procedure that better delivers board members of high integrity with relevant backgrounds and expertise, along with the facilitation of genuine public/citizen/audience engagement in the matters of PSB governance and funding can better safeguard the independence and integrity of such broadcasters against political/economic attacks. It is also essential for the non-bureaucratic and non-polarized administration of these broadcasters, required for narrowing the gap between the *de jure* and *de facto* aspects of PSB independence.

Therefore, in conclusion, it appears from this research that there is no failsafe strategy to shield the independence of PSBs in the digital era. The critical factors remain careful development of PSB charters, to reflect the public interest; astute drafting of governance systems to best defend these; and engagement of the public, in maintaining both public accountability from the broadcaster, and independent funding supported by the government. This field is a dynamic one and remains open for further research as online interactive platforms expand.

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Can WhatsApp be Approached as a Creative Product?

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Keywords: creativity, innovation, communication, WhatsApp

Abstract

This article presents research on WhatsApp, one of the most popular apps in mobile telephony. The authors intended to answer the following question: Is WhatsApp a creative product? By applying creativity and innovation concepts of the systems approach to creativity, the authors analyzed whether the product is actually creative or merely an innovation. Initial results based on the data received from studying WhatsApp users in Brazil and analyzing creativity-related concepts showed that the app may be considered creative. However, more issues around its creativity need to be analyzed in greater depth.



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Introduction

Nowadays mobile telephony users whose smartphones run on operating systems like Symbian OS, iPhone OS, BlackBerry, Windows Mobile, Linux, Palm WebOS and Android are increasingly familiar with the features the technology provides. Excessive cellphone usage while spending time in bars, waiting on benches, in family gatherings, work meetings, elevators, receptions and even in traffic has become quite common. Mobile platform apps attract people of all ages offering the ability to interact with others. With over 1,2 billion users, WhatsApp is currently among the apps with the greatest user base worldwide. For instance, in Brazil, according to Nielsen and the Mobile Marketing Association, 74% of smartphones have this application installed, which means 120 millions of mobile devices have WhatsApp.

Ever since it was created five years ago, the app went through several innovations and updates governed by its creators and is currently considered the most popular messaging apps in the world. WhatsApp was designed to establish communication with users listed on the cell phone's telephone book after an automatic synchronization. Communication occurs through text messages, voice messages, photos, videos, audio and video calls. This information begs the following question: Is WhatsApp really a creative product or is it just an innovation? This reflection is driven by the app's popularity and innovations, since not all innovative things are creative, but all creative things are innovative.

Having this technology available encourages users to expect immediate communication and requires information to be transmitted more efficiently. Information becomes communication when the receiver triggers an activity to decode (reading, hearing

or watching) and interpret the message. Users live in the now, requiring immediate messaging and information exchange based on a simple click. Young people take the greatest advantage of this technological era. With the creation of WhatsApp and its constant updates they are abandoning social media like Facebook looking for a more private, immediate and independent alternative. According to the survey by Mobile Marketing magazine the app is used most by people younger than 25. Constant access to a mobile device enables rapid agile use of its features. According to a survey by Mobile Youth, a company specialized in youth, WhatsApp users also use the app extensively to take "selfies", a term that refers to photographs taken by a person who appears in a picture using his/her cell phone with a built-in camera.

Based on this information, the purpose of this article is to reflect on whether WhatsApp is a creative product. In order to answer this question, a theoretical base formed by authors discussing creativity and innovation will be used. Other reflections include: What is the application's repercussion? Why is it attractive to the public? Why has it gained such visibility? What is the verdict on the application?

What is WhatsApp?

Known as apps, applications for technological devices have become widespread in the digital era. Apps are used extensively in smartphones with operating systems like Symbian OS, iPhone OS, BlackBerry, Windows Mobile, Linux, Palm WebOS and Android. Apps can be free or proprietary. WhatsApp can be downloaded and used for free in the first year. The term WhatsApp is a pun with the question *What's Up*. Developed by Brian Acton and Jan Koum, two former Yahoo staffers, the

application was launched in August 2009 in California. In 2014 WhatsApp was sold to Facebook for 22 billion dollars.

Acton and Koum were motivated to create WhatsApp after having worked for 20 years collecting data from users who accessed the Yahoo website and using this information to develop targeted ads. As they described it, they got tired of doing what they did and decided to design something innovative. According to Alencar and Fleith (2003, p. 162) "innovating means introducing novelties and innovation involves generating, accepting and implementing new ideas, processes, products and services."

Acton and Koum's goal was to create a service to meet users' needs that could also be used to charge those who installed the app directly. Both programmers said they could do what most people intended to do every day: avoid advertisements. Lubart (2007) believes that evaluating ideas and choosing which ones to follow and which ones to discard are important steps in the act of creation. The creators assessed how they might create something that would allow users to avoid advertisements while still meeting their expectations. It resulted in an open platform – an app. According to Jan Koum (2013), WhatsApp does not focus on user information and even less on shared photos. They wanted to invest their time in a service that would work well.

WhatsApp is currently present in over 180 countries and leads the market in countries like Brazil, Mexico, Argentina, India, Holland, Spain, Germany and Italy. In July 2017, the app totaled 55 billion messages exchanged by its users across the world. Initially, the application's popularity can be explained by the growing number of mobile platform

users interested in instant communication. The numbers continue to grow among those who have access to technologies. According to Castells (2008, p. 17), the restructuring of capitalism and the information technology revolution gave rise to a network society, fostered by a virtual culture built on a ubiquitous, interconnected and diversified media system. For the author, this new form of network communication incorporates users from all levels of society helping to expand their social interaction.

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The WhatsApp application is constantly updated. Initially designed exclusively for text messaging, its popularity and success led its creators to introduce new capabilities on a regular basis. On the 25th of August 2011, the website *Exame Informática*³ announced that WhatsApp was the best texting app that allowed messages to be sent through a data package or *wi-fi*, with its last update having occurred on August 3rd 2011.

After WhatsApp was created many other apps were launched, including Kakao Talk (2010), Viber (2010), ChatON (2011), Wechat (2011), Line (2011), Telegram (2013) and ZapZap (2014). These apps provide the same features as WhatsApp and even more. Apart from these apps, Facebook - which was launched in 2004 and incorporated WhatsApp keeping its owners - , and Skype, launched in 2003, updated their messaging features to keep their position in the messaging market. In 2013 Google launched its Hangouts app with messaging, video and photo capabilities.

3 - Best Apps: Whatsapp Messenger. Available at http://exameinformatica.sapo.pt/melhores-apps/apps_android/2011-08-25-melhores-apps-whatsapp-messenger-android-e-ios.

WhatsApp has a policy of not showing advertisements. After announcing its sale to Facebook news sites reported that users feared what might happen to the app, including to their privacy, but it was informed that WhatsApp would remain the same. After registering, users receive free service for one year, followed by an annual subscription for a fee of one US dollar. However, users have reported using the service for over a year without being charged; therefore, the application just continues to be free.

WhatsApp in Brazil

According to Nielsen Company⁴ and the Mobile Marketing Association⁵, WhatsApp is the most used app in Brazil and can be found on 94% of all smartphones in the country. A survey by the European OnDevice showed that 86% of Brazilians use this messaging app at least once a day, while 67% send and receive messages more than ten times a day. WhatsApp's main rival in Brazil is Telegram, which works as an alternative when WhatsApp broadcast falls down. Viber, an App which came to Brazil in 2014, is also a competitor of WhatsApp.

Mobile messaging apps gain more popularity and are used more intensely as the number of users with internet access on their phones increases. Another app that came to Brazil to compete with WhatsApp is Line, which provides a unique feature: eight thousand animated stickers that work like *emojis*. Line, as well as Wechat, believe they can beat WhatsApp by providing services that their competitor does not have yet. As to calls, although the

three apps above offer voice messages, only Line, Viber and WeChat allow real time conversation. However, in February 2014 WhatsApp's co-founder Jan Koum announced the app would start offering voice calls in the second quarter of the same year, and this is still a work in progress in parallel to other app improvements.

Is WhatsApp a Creative Product?

Ever since the arrival of mobile platform apps different companies have strived to invent a model that attracts the public. One of the things that make these apps important is that they allow users to communicate through messages as a means of interaction. According to Castells (2005), all processes of individual and collective existence are directly shaped by the new technological media. To reflect on whether or not WhatsApp is a creative product, it is fundamental to conceptualize creativity.

Various authors put forward different definitions of creativity, others believe that creativity should not be defined. For the purpose of this article, the definition of creativity was taken from the *Houaiss* dictionary (2013, p. 1): [quality or characteristic of someone or something that is creative; inventiveness, intelligence and talent, innate or acquired, to create, invent, innovate, whether in the arts, science, or sports, etc.]. For researchers of the subject there are several other concepts of creativity in the literature. According to Stein (1974), creativity is a process resulting in a new product which

4 - Nielsen Company is a German American company headquartered in New York, United States of America. The company offers a variety of information and market research using its own methodologies.

5 - The Mobile Marketing Association (MMA) is nonprofit association established to foster the sustainable development of mobile marketing and associated technologies across the world.

is accepted as useful and/or satisfactory by a significant number of people at a certain point in time. Creativity is the ability to produce work that is both novel and adapted to the context in which it is produced (Amabile, 1996; Barron, 1988; Lubart, 1994; Mackinnon, 1962; Ochse, 1990; Sternberg; Lubart, 1995). According to the authors, this production can be an idea, a musical composition or a story, among others.

Ostrower (2012) conceptualizes creativity in an elucidative manner: "To create is basically to shape. Being able to give shape to something new. No matter what the field of activity, it is about the new, new consistencies that become established in the human mind, phenomena associated in a new way and understood in new terms. Hence, the creative act encompasses the ability to understand, which in turn includes the ability to associate, arrange, configure and find new meaning. (p. 9)"

For Whatsapp's more than 1,2 billion users worldwide its most attractive characteristics are its interface, user-friendly design, instant and group communication, multimedia, privacy and the absence of any type of advertisement.

According to Alencar and Fleith (2003), the terms "creativity" and "innovation" are often used as synonyms. The authors define innovation based on other authors like West and Farr (1990). In their opinion "innovation is an intentional introduction within a group of ideas, processes, products or procedures, new to the relevant unit of adoption, designed to benefit the individual"

(Alencar, & Fleith, 2003, p. 163). Bruno-Faria (2003), on the other hand, believes creativity can contribute to innovation and thus enable it. According to the author, a creative idea does not always produce an innovation, since barriers or difficulties may hinder the implementation of ideas, making it impossible to develop them. This was not the case with WhatsApp, however. Although other apps with the same features were already available on the market, its creators innovated by introducing a simple and easy to handle product, among other aspects. This distinguishing feature is aligned with Lubart (2003, p. 17) who states that "a technically well-done job is better able to highlight the novelty and value of an idea than a job done carelessly".

Lubart (2003) shares the view that novelty and originality are ideas that exist in all social orders. WhatsApp reformulated an idea which already existed. Facebook and Skype are messaging programs that existed before WhatsApp. The difference is that the latter's creators designed an app initially for cell phone users. For Whatsapp's more than 1,2 billion users worldwide its most attractive characteristics are its interface, user-friendly design, instant and group communication, multimedia, privacy and the absence of any type of advertisement.

According to Csikszentmihalyi (1989), it is impossible to distinguish between something creative and something merely unlikely or intriguing unless there is a group to judge or confirm the product's adaptability. According to the WhatsApp *blog*, the app was assessed by a group of people for a period of time and approved for use in *iPhones*, the first model to enable WhatsApp. Brian Acton and Jan Koum planned to provide a big mobile messaging system for a global market regardless of the user's device, which is what made the application so popular.

Why did the App Gain Such Visibility?

As mentioned above, WhatsApp has more than 465 million active users worldwide. Its visibility is the result of the popularity it acquired throughout its five years of existence. Messaging applications tend to be seen as entertainment tools. Their playful side is truly their main purpose, fueling access and relationships developed through these apps. Its growing number of users shows how much WhatsApp is present in people's daily lives, and consequently in their opinions. Messaging apps do more than promote or improve social interactions: they create bonds, transform and expand communication.

Users increasingly augment their power as emitters by participating, interacting and communicating more. It becomes evident in social media and online news, where users participate by leaving comments, hence becoming active subjects. In WhatsApp the situation is no different. The creator of the app announced in his blog, on July 2017, that it broke a new record: 55 billion messages, 4.5 billion photos and 1

billion videos shared by day. The number of messages received is much higher because the app considers many posts to be sent to groups, which allows them to be seen by more people. Companies with the same characteristics as WhatsApp attempt to adjust to this new reality by looking for something that sets them apart and allows them to compete with the app. The democratization of the media is clear in mobile messaging apps; it is a natural trend of current times. According to Csikszentmihalyi (2006), to be creative one needs to adapt to its social environment; it must be able to be transmitted through time. This interpretation of the author allows us to return to our research question: Is WhatsApp a creative product or not?

One frequently asked question is why WhatsApp is so popular when there are many other apps with the same characteristics. Lubart (2007) believes that ease of access to information and communication means, especially through the Internet, contributes to the shifting view of what activities are considered creative. "The new technological possibilities caused various areas of notable change in terms of how to address a creative task. In addition,



new instruments have at times given rise to new scientific discoveries and new forms of expression.” (Lubart, 2007, p. 88)

The creators of WhatsApp wanted to create a product that met the public’s expectations. It was a new production that was and is regularly adapted to new user interests, and innovations introduced by the competition. It became popular because of its compatibility with various other *mobile* platforms and its user-friendly design. Throughout these five years of presence in the tech culture WhatsApp achieved global visibility. Its creators were able to increase social interaction through the app, a result favored by a tech culture characterized by the multiplication of smartphones and tablets among consumers around the world.

Its clean and simple display confirms the app’s position as the most used product. WhatsApp is a product that has spiked an interest among tech-savvy users, and its creators continue innovating in the mobile communication department. This visibility is the result of the application’s messaging popularity. Apart from its simple and objective interface, what calls users’ attention to the app is how easy it is to send and receive messages, including texts, photos and videos, but also audio messages.

Public Viewpoint and Judgement

With the arrival of mobile platform messaging apps available on Android, iOS and Windows Phone, the public came to expect immediate service and ease. WhatsApp was able to meet those public interests. In the words of a communicator: With no more than a few clicks one can send messages, images and videos stored

in one’s smartphone to friends and chat groups with varied content and subjects at a low cost compared to SMS. (Rabelo, 2013)

WhatsApp is a product that has spiked an interest among tech-savvy users, and its creators continue innovating in the mobile communication department.

The public that uses the app varies in age from teenagers to adults. A survey conducted in Brazil found that young people aged 16 to 24 would rather use WhatsApp than Facebook. They explained that youngsters prefer fast communication tools, but also the privacy of using something that is not visible to their families. Social media experts indicate that teens and pre-teens look for environments where they can interact with their friends without the presence of their family-members, and would rather stay away from other features that might hinder conversations through the app like games and offerings.

Another characteristic the users emphasize is simplicity. Friends do not have to be registered. Synchronization with the user’s telephone agenda is automatic. Users also regularly use WhatsApp to send photos and audio messages, which they consider efficient. There are also groups formed by up to 256 people in which users communicate with many people at the same time and speak about various subjects. Several companies use WhatsApp as a work tool by creating a specific group of staffers used for professional dialogues. The *Jovem Pan* radio station from the city of Belo Horizonte, Minas Gerais, uses the app as a channel to interact with its listeners. The company’s

marketing consultant explains how the product is used: The application makes it possible to explore new ways of relating to our listeners, which go from a quick conversation with the radio announcer to participating in our promotions, asking for a song, or sending traffic information. All this makes our listeners feel closer to our sender. This allows us to build more consistent relationships. (Primo, 2013)

(...) youngsters prefer fast communication tools, but also the privacy of using something that is not visible to their families

Another example of the app's repercussion in the corporate world is the Rio de Janeiro news article *Extra*, which uses WhatsApp to communicate with its readers. In six months, it received over 10 thousand photos and 100 thousand messages with suggestions and complaints. The project's originator calls this type of activity "hypercloseness".

The ways that the public uses WhatsApp and how its creators are innovating the app could be the object of a reflection based on the systems approach to creativity, which is presented in the three systems: the individual, the field and the area. For Csikszentmihalyi (1999), what is referred to as creativity invariably involves a change in a symbolic system; a change that may affect the thoughts and feelings of the members of a society that shares a certain culture. As such, creativity is not the result of an individual product, but rather of the social systems that judge the product (Csikszentmihalyi, 1999). In the systems approach, it is the individual who causes the changes and introduces variations in the area of knowledge. The second system is the field, also called the domain, which is

formed by the various people that control the area, pondering and selecting new ideas. The third system is the area, which according to the author is affected by cultural knowledge and encompasses creative productions that can be transmitted from one person to another.

WhatsApp's creators designed the product to satisfy the field. According to Alencar and Fleith (2003), creators are responsible for persuading the field that their work is significant and should integrate the domain. New ideas can also be prompted by the social system, as is the case of WhatsApp, a product that is constantly updated to improve its performance. For an idea to be adopted in a field it is essential for it to be socially accepted. In addition (Csikszentmihalyi, 1999), cultures consist of multiple domains. Innovations that result in creative contributions do not happen directly in the culture, but rather in one of these domains.

Deterrents

Despite being the most accessed and popular messaging app, WhatsApp has strong competitors that are constantly doing something new to try to call the public's attention. One such example is Viber, which as we mentioned before is an app that introduced a new feature to distinguish it from WhatsApp. Other apps that would also like to rise to the most accessed apps ranking are Line and WeChat. These are free apps that sport certain features that WhatsApp lacks. Their revenue comes from selling stickers, virtual assets in games, and advertisement.

Although all this competition may motivate its creators, there are also limitations that can block creativity. Creativity in the app may

be inhibited by contrarian ideas, for instance. WhatsApp has two creators. If at any time they disagree on an innovation for the app, this may be found to deter creativity. Fear also hinders creativity. When people refuse to take risks for fear of failing or making mistakes, or even because they are afraid of how the public will react, these factors can become creativity deterrents. Lack of motivation and time to dedicate to the product are also considered creativity deterrents.

The above-referred examples that may compromise creativity remit to a research by Mariani (2005), who considers that factors that encourage individuals to oppose innovative conditions or prevent them from exposing their ideas or taking action function as barriers to creativity. Among the barriers described by Van Gundy (*apud* Alencar and Fleith, 2003) are structural, social and political, procedural, resource-related and individual factors. The creators of the app may at some point lose their motivation for the product, for instance if they fail to make enough money to be able to maintain their staff and the tool. They may also be affected by conformism and cease to innovate. Many factors may actually influence creativity. Although WhatsApp's creators faced obstacles like errors in the application, competition and reformulating the app's features and hoping users would approve them, its creators continue to be in the game and their product ranks first in global popularity.

Final Considerations

With the advances in technology and popularity of the Internet, a growing number of users communicate quickly and interactively through the app. This reflection allows one to infer that WhatsApp is an

increasingly popular product that is more and more part of people's daily lives. It has become quite common to hear people asking: "Are you on WhatsApp?" as they would "What's your phone number?"

It has become quite common to hear people asking: "Are you on WhatsApp?" as they would "What's your phone number?"

According to the references used and information about the app, its usage by the public, visibility and popularity across the world, it is clear that the research question "Is WhatsApp a creative product?" will remain to be studied in greater depth. Nevertheless, considering the data researched about the app and the conceptual base related to creativity, the app can be considered a creative product. One can initially affirm the product to be innovative and popular. Its creators had an idea that advanced throughout its eight years of existence, echoing the reflection that: "An idea can only be considered creative if it is judged to be so by a group of specialists (field). An idea or product can be considered not creative at one moment in time and creative at a later date (or vice-versa), since interpretation and judgment criteria can change from time to time." (Alencar and Fleith, 2003)

Although it is not yet possible to state that WhatsApp was judged by a group of specialists, it was tested by many people for a period of time and later released for users to download. When it was first created it may have been judged like any other app, but throughout its many adaptations and corrections it came to be seen as an innovative application. As



Alencar and Fleith (2013) noted, "in this sense, a social environment that offers resources, recognition and opportunities increases the likelihood they will offer creative contributions."

As to public opinion and judgment, our study revealed that the app is approved, especially by people younger than 24. It also showed that companies are increasingly using WhatsApp as a work tool, particularly groups, which enable instant conversations among staff members.

Another important aspect to be noted is that companies fear the end of the SMS (Short Message Services). Sending videos, photos, audio messages and links via online tools such as WhatsApp increases user connectivity and enhances communication, which has led to a progressive decrease

in the use of text messaging. Doing away with SMS is a trend: the more people install messaging apps, the less they send text messages. According to a survey published by Bloomberg⁶, applications like WhatsApp have caused over US\$ 30 billion in losses to mobile phone carriers, a number likely to reach US\$ 54 billion in 2016.

While WhatsApp is still to be studied in depth, this article had the purpose of applying a theoretical reflection on creativity to an invention from the perspective of its current place in people's tech culture and what motivates its creators to introduce innovations to the product in order to meet the expectations of its users. In view of the above, although we believe that the goals of this study have been achieved, this article is merely the beginning of a broader study.

6 - Global leader in the financial and business information market.

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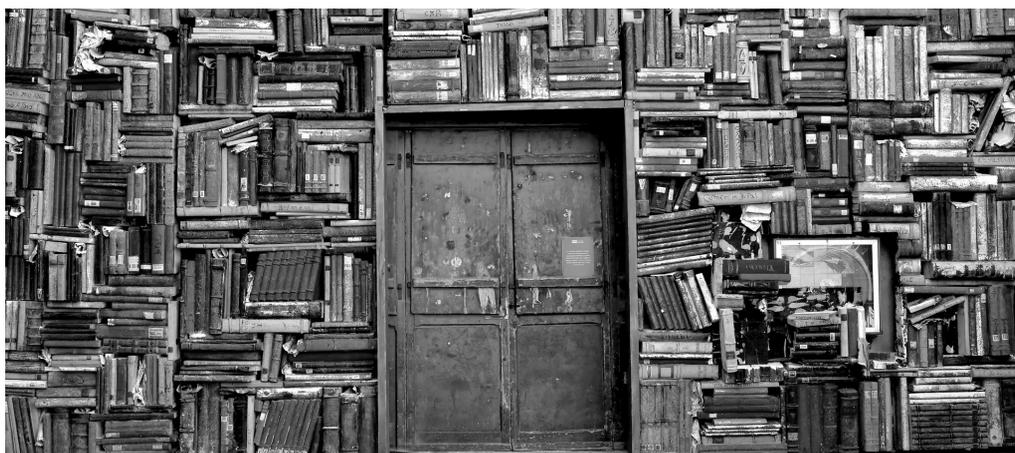
The Creative Cultural Industry: The Production of Concepts in the Process of Commodification of Culture and its Impact

By Marcello de Souza Freitas¹

Keywords: International cultural relations, external communications, cultural industries, creative industries, globalisation, creative economy, global flow of information

Abstract

This article seeks to assess the underlying factors behind the hype around the creative economy. On the one hand, this article tries to retrace the processes which could have caused the rise of interest and, on the other, analyse the concepts that were generated to explain the processes within cultural and creative industries. This study analyses the power relations underlying the use of both concepts. Thus, this paper aims to understand the economic and social impact of the industrial production and diffusion of symbolic products in our current world, and, more specifically, the opportunities and challenges that this scenario presents to countries, mostly peripheral ones, that seek to develop their economic strategies in the field of cultural and creative industries.



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Introduction

There is currently a huge interest around the concept of “creative industries” in the academic world, especially regarding their potential in generating new forms of employment and development in the so-called post-industrial economy. John Howkins highlighted that the creative economy, a specific economic sector driven by intellectual property, will play a central role in the 21st century economy (Howkins, 2007). A UNESCO’s report, in turn, showed that during the first decade of the new millennium this sector had reached substantial growth, reaching 7% of global GDP in 2008 (UNCTAD, 2008). As one can see, great expectations have been created regarding the possibilities of this new economy, driven by creativity, information and knowledge, to generate a new paradigm for the formulation of cultural policies, the creation of new business models and the implementation of new development strategies, both locally and nationally (Leadbeater, 2000; Castells, 2013; Howkins, 2013).

Nevertheless, this optimism is contested by some experts. Nicholas Garnham (2005), for example, argued that the term creativity does not give a reasonable parameter to assess the real economic weight of what is conventionally classified as a “creative industry”, since the term itself is vague and over-comprehensive. David Hesmondhalgh (2013), on the other hand, argued that the hype around creative industries has the effect of overshadowing the complex and ambivalent character of the industrial process of production and circulation of cultural artefacts, which he classified as “texts”. For this reason, Hesmondhalgh preferred the term cultural industries, because, in his view, such a concept offers a more critical approach to the social impact, power relations, and interests that permeate symbolic production.

In this sense, although both concepts of creative industries and cultural industries seek to analyse the same phenomenon, they seem to look at it from different perspectives regarding the conception of industrial production and circulation of “texts”, and their social and economic impacts. Part of the origin of this difference lies in the different uses that each perspective makes of the terms creativity and culture (both of complex and controversial definition), and how they relate them to the industrial production process. Further, the contexts in which both concepts have emerged differ. Whereas the concept of creative industries emerged in the 1990s when the process of globalisation intensified and there was a revolution in the means and forms of communication, which led some experts to declare the emergence of an information society and a knowledge-based economy. The concept of cultural industries, on the other hand, is linked to a long debate about the effects of the incorporation of cultural production into the capitalist system and to an industrial logic of production, exemplified in the social and economic impacts of the commodification process of culture. This analysis has its origin in studies initiated by Adorno and Horkheimer on the cultural industry (in the singular), a concept that was later improved in the 1970s by French sociologists, such as Bernard Miège, who coined the term cultural industries (in the plural), as a way of expressing the complexification this process was having in that period (Hesmondhalgh, 2013).

In this regard, it is essential to have a better notion of what the cultural or symbolic production and consumption in our current world entails. This analysis aims at not only critically assessing the mechanisms and the social and economic impacts of this sector but also highlighting the importance of unravelling the power relations, interests, discursive practices and contradictions that

underlie the concepts that were devised to explain such phenomenon. Thus, this article has the objective of contributing to this debate by carrying out an analysis of the main characteristics of these two concepts, cultural industries and creative industries, focusing on the assessment of their functions, the contexts in which they emerged and, especially, the power relations that both sustain and connect them with one another.

This task will be undertaken by combining a long-term historical analysis to assess the contexts and processes (political and economic) that influenced cultural production and consumption throughout the twentieth century, with a genealogical analysis of the social and cognitive functions of the concepts that came to explain this phenomenon. Therefore, on the one hand, this analysis will be based on the model of analysis implemented by David Hesmondhalgh (2013), about tracing patterns of change and continuity in the cultural industries through long-term historical currents. On the other hand, this historical analysis will serve as a basis for the development of a reflection, based on a genealogy which aims to understand the origin of the concepts that have arisen to explain such phenomenon, as well as the relations of power and the interests that permeate the social functions they exert.

A genealogical analysis of a nation cannot seek to outline a history of its birth and development as a linear and causal progression. Nor can it provide a history that hinges on events or the actions of individuals. Rather, a genealogical approach allows us to focus on the discontinuities that punctuate history; it "cultivate[s] the details and accidents that accompany every beginning" (Foucault, 1984: 80). It means that the shifts in history and the changes in regimes of truth can be focused

on. It also means that the subject is not the centre of history, but rather, genealogy "shows how the subject is created by power-knowledge complexes of history" (Shiner, 1982: 7).

In this sense, this article seeks to assess what is really entailed in the hype around the creative economy, by trying, on the one hand, to retrace the processes which could have brought it about (the expansion of industrial production and diffusion of symbolic products throughout the twentieth century); and, on the other, analyse the concepts that were generated to explain cultural industries and creative industries. My interest is to analyse the relations of power and interests that underlie the use of both concepts. Thus, this paper aims to understand the economic and social impacts of the industrial production and diffusion of symbolic products in our current world, and, more specifically, the opportunities and challenges that this scenario presents to countries, mostly peripheral, that seek to develop economic strategies in this field.

Therefore, the idea behind this article is to try to demonstrate that ever since cultural production was incorporated into an industrial logic, following the process of capitalist expansion, this model of production tended to organise itself into oligopolies, which concentrated and controlled production and the diffusion of cultural products. This established a process that generated inequalities, asymmetries and exclusion in relation to those that are part or not part of its dominant nucleus, as well as the tendency of this industry to manipulate cultural consumption patterns as a way to assure its commercial interests. From there I will analyse the concepts that have emerged to give meaning to this process ('cultural industries' and 'creative industries'), trying to unravel the power relations and interests that sustain them, and then analyse their

social functions and impacts. Finally, I will conduct a brief analysis of the impacts of all these processes on peripheral countries that seek to create a development strategy based on the economic use of their cultural products.

The Rise of a Cultural Industry

The study of cultural industries is linked to the combination of two ideas: the question of what the term culture entails, and the process of industrial production of cultural expressions. Assuming that both ideas are part of a long and controversial debate, with regard to their definitions and their role in society, the starting point for this article is to try to establish some basic parameters on this topic. This foundation will be fundamental to establish the pillars that will support the arguments advocated in this article.

According to Reeves (2004), the word “culture” appeared in the Italian peninsula around the thirteenth century, with the purpose of “cultivating” the land, an idea that eventually gave rise to the word “agriculture.” Progressively this word came to be associated with the idea of cultivation of habits and the human intellect. This re-signification was particularly strong in France, where the word culture came to be understood as a process of constant “improvement” of peoples’ ways and models of life, and thus a goal to be achieved by all people. This humanist view of culture was eventually associated with a conception of civilisation in which the “most advanced” civilisations would lead the “least advanced” ones along with a progressive evolutionary process which all human societies would be destined to go through. This notion of civilisation, in turn, served as a substrate for nineteenth-century European imperialism, by sustaining the narrative of a civilising mission.



In the same century, the word “culture” took on another meaning, linked to the German word Kultur. The conception of culture expressed in the word Kultur was linked to the aims of the German elites in diminishing the cultural influence of France in its courts and building a German nationalism. Consequently, Kultur sought to represent the cellular exclusivity of a particular community, sustained by its traditions, biological and linguistic ties, and by the spirit of the people (or *Volksggeist*).

The accumulation of these reflections gave rise, at the turn of the twentieth century, to the anthropological conception of culture, which began to overthrow the dominant humanist conception of culture. In the 1920s, the anthropological conception of culture gained strength among American social scientists, and it was improved by such intellectuals. In the United States, the word “culture” has come to represent the particular ways and customs of each human grouping. That is, culture is the expression of the collective imagination and the worldview of each group of people.

This view contradicted the humanistic conception insofar as the term culture was no longer understood as a level of civilisation to be achieved, but something intrinsic to each human group, without a necessary hierarchy between them. However, although the anthropological definition of culture is the most accepted today, the complexity and subjectivity that surrounds the word culture means that the debate about its definition remains open and is surrounded by controversies.

In this work, the anthropological conception of culture will be adopted, particularly in the way Raymond Williams saw it, as “the ‘whole way of life’ of a distinct people or other social group” (Williams, 1981: 11); and supported by Eric Hobsbawm’s view of culture as a symbolic substrate that sustains national identity (Hobsbawm, 2008). Therefore, seeing as culture is linked to the expressions of the immaterial and symbolic universe of people, it is important to seek an understanding of the economic and social impact caused by the process of transforming cultural expressions into



products, mainly when these cultural products can influence people's perception of reality and identity.

In this sense, Hesmondhalgh (2013) emphasised that studying the phenomenon of cultural industries is important because it is a specific type of industry that is focused on the industrial production and circulation of what he classified as "texts", i.e. cultural artifacts that are open to interpretation, which carry signification and have a communicative goal, as is the case of films, records, books, images, magazines. In other words, cultural industries can be understood as a signifying system through which social order is communicated, reproduced, experienced and explored (Williams, 1981: 13).

Consequently, companies focused on the production of books, films or music should not be understood as mere producers of entertainment, but reproducers of meaning and symbols, which may exert influence on the cognitive process of those who consume such products. Thus, companies within cultural industries are primarily involved in producing texts and communicating them to an audience; and when these cultural products come to be produced and disseminated industrially, such industry becomes a powerful system of meaning production, capable of exerting great influence on how people make sense of the world around them and about themselves (Id., 2013).

The emergence of a culture industry occurred in Europe throughout the nineteenth century, when the traditional systems of patronage, which had sponsored cultural production until then, gave way to a market-oriented symbolic production. This process was directly linked to the profound economic and social transformations on the backdrop of the expansion of the

capitalist system in that century (Williams, 1981), especially regarding the advances of industrialisation and the development of new communication technologies which expanded the possibilities of cultural production (Hesmondhalgh, 2013). In addition to that, the establishment of copyright laws, ensuring property rights and commercial value of cultural products, created the conditions for the expansion of the process of the "commodification of culture", that is: the transformation of culture, until then shared by the collectivity, into a private property. It is a process which, by limiting access to common goods, grants the market value of the cultural production, thus consolidating the appropriation of culture by the capitalist system (Id., 2013; Frith and Marshall, 2004; Tosta Dias, 2008).

This framework allowed the cultural industries to expand with great speed during the first half of the twentieth century, demonstrating the strength of this sector for the global economy. Thus, European countries like England, Germany, France, but also the United States, soon stood out as major exponents of this sector, not only establishing large national cultural markets but also directing much of their production to international expansion. As a result, companies from these countries, linked to their cultural industry, began to gradually establish global dominance over the production, distribution and consumption of cultural products. As it was the case, for instance, in the phonographic industry. "The leading companies set their goals internationally from the very beginning. The local factories were built up in the most important markets and, through networks of subsidiary companies and agencies, the companies covered practically the whole world. By 1910 there were hardly any countries in the world where the record industry had not

established itself, and German and British gramophone companies fought just as bitterly as any other branch of industry in the years preceding the First World War” (Gronow, 1983: 56).

By the 1940s, cultural companies had already achieved a great industrial capacity, had a high diversification of cultural products, organised themselves as oligopolies, and acted globally. Theodor Adorno and Max Horkheimer, two German-Jewish philosophers associated with the Frankfurt School of Critical Theory, while exiled in the United States from the Nazi Germany, coined the term “Cultural Industry” to criticise this process, drawing attention to how much culture was being degraded by being transformed into an industry, losing its critical and emancipatory aura (Adorno and Horkheimer, 1985). In their book *Dialectic of Enlightenment*, published in 1944, Adorno and Horkheimer developed a profound critique of the incorporation of culture into a model of industrial production, which denounced the loss of culture’s ability “to enact utopian critique because it had become commodified – a thing to be bought and sold” (Adorno and Horkheimer cited in Hesmondhalgh, 2013).

It is not by chance that Adorno and Horkheimer developed the concept of cultural industry in the United States, an advanced capitalist democracy – which they described as an empty and superficial place, almost as bad as the Germany they fled – that had already reached a great capacity of production, consumption and diffusion of cultural products. The accelerated process of industrialisation that the United States was experiencing since the end of the nineteenth century allowed the country to strengthen itself economically and expand its domestic consumer market, thereby creating a

potent cultural industry in the early years of the 20th century. Consequently, after consolidating their national performance, US-based companies in the cultural sector harnessed the strength of their local market to expand internationally. Eventually, this constant quest to open new markets in every corner of the world would propel the American cultural industry into global hegemony.

The Expansion of the Cultural Industries

After the end of World War II, the United States was in a privileged position. Whilst the European economy had been destroyed during the war, American industrial areas remained preserved. Such privileged position allowed the American economy to grow at an unprecedented rate, thereby inaugurating the golden era for American capitalism. With this favourable economic picture and the support of the American government (which saw the global diffusion of American cultural expressions and values as a powerful political tool), American companies linked to the cultural sector could organise themselves as large corporations and conquer several international markets without major risks or rivals. In the mid-1950s, this synergy of forces and interests consolidated the hegemony of the American cultural industry.

In the meantime, the European countries concentrated their efforts on national reconstruction after having their societies destroyed by the war. This interregnum caused the slowdown of the expansion of the European cultural industries, opening space so that several American companies, linked to the cultural sector, could expand their activities throughout the European

continent. By dominating Europe's cultural market, the North American cultural industry not only managed to secure a massive presence in several European countries, including traditional competitors in the field of cultural production, such as Germany, France and the United Kingdom but also secured a more solid base for widening its global expansion.

With the beginning of the economic recovery of several European countries around the 1960s and the consequent resumption of their industrial production, they reheated the activities of several European companies linked to the cultural sector, which began to dispute the cultural market of the region with American companies. This led European governments to be concerned about the massive presence of the American cultural industry, perceiving it as an obstacle to the development of Western Europe. As a result, such governments have begun to develop public policies to create the necessary structural conditions for overcoming the fragilities of their cultural industries, mainly through new regulations to stimulate endogenous cultural production in Europe and to protect their national markets. One of the targets of this regulation was telecommunications, which, because of its strategic role in the dissemination of content, started to experience strong state control and investment (Hesmondhalgh, 2013).

Over time, as economic growth and political stability were being restored in Europe, its citizens, by achieving higher standards of living, were able to provide a larger share of their time and income for leisure and entertainment. This scenario of economic recovery allowed European governments to develop cultural policies and direct investments to stimulate the cultural sector, thereby widening the conditions for the exponential increase in production

and consumption of cultural products in the region. The sum of these two factors drove the strengthening and growth of the European cultural industry.

And while such a revival of the European cultural production was not enough to outdo the American cultural industry, the growth of the European cultural market contributed to a global expansion of the production and circulation of cultural products

And while such a revival of the European cultural production was not enough to outdo the American cultural industry, the growth of the European cultural market contributed to a global expansion of the production and circulation of cultural products, which boosted diversification and complexity of this sector. As a result, by the mid-1970s the production and circulation of cultural products had already reached a high degree of complexity, particularly in terms of how much culture, society and business became more intertwined, and how large transnational corporations came to produce films, music and television programs on a huge scale, and diffuse them globally to an international audience increasingly eager for entertainment.

Interested in understanding this process and reflecting on the social impact of this transformation in the production and dissemination of symbolic products, left intellectuals began to rescue the studies of the Frankfurt School theorists on this phenomenon. Among them was French sociologist Bernad Miège (1989), who paid special attention to how the term "cultural industry", coined by Adorno and Horkheimer,

explained the limitations of modern cultural life. Further on, these sociologists appropriated the term and converted it into “cultural industries” in the plural. Thus, although analyses of the cultural industry developed by the critical theorists of the Frankfurt School influenced the reflections of French sociologists, the latter rejected what they saw as a one-dimensional and romanticised view of Adorno and Horkheimer. According to the sociologists, the use of the term cultural industries would more accurately portray the degree of complexity, diversification, ambivalence, and diffusion potential that cultural production had already achieved by then.

Thus, throughout the 1970s, cultural industries, both in the United States and in Europe, expanded, diversified, formed large oligopolies, and finally boosted a deep intensification of global flows of cultural products. Therefore, despite the disproportionate North American presence in the cultural sector, there is a multiplication of the poles of cultural production, including the participation of small producers alongside large corporations (Hesmondhalgh, 2013).

Therefore, the first two sections of this paper sought to highlight the expansion of cultural production led by the large transnational corporations. The corporations always tried to create the best conditions for their business and economic interests, which was not always on par with the interests of the general public. On the other hand, the development of the “cultural industry” reflected this dialectic, since the term exposed such contradiction; and its updated version

“cultural industries” highlighted how much this contradiction was amplified following the degree of complexity and amplitude that this industry had reached by the 1980s. Thus, both concepts provided an anti-hegemonic reflection of the process of expansion of cultural production.

The Age of Multi-Media Conglomerates and the Hype of Creativity

Amid the expansion of the cultural industries described above, the relative political stability and economic expansion reached by the central powers were struck by some political and economic factors² that took place from the mid 1960s and the 1970s. These factors, which began to reverse the economic growth experienced until then, triggered an accelerated decline in various industry sectors and generated a profound crisis in Western societies during the 1970s, a process which Hesmondhalgh described as the “Long Downturn” (2013: 11).

The response to the crisis came through measures aimed at restoring political stability and economic growth through a restructuring of the global economic order. A package of measures aimed at limiting state intervention in economic life and removing any obstacle to global free trade was established. Alongside with this, a series of deregulation and re-regulation policies were implemented. On the other hand, new laws were introduced that made merger and acquisition between companies

2 - Among the major political and economic factors that have shaken the international order since the 1960s, it is possible to highlight the process of decolonization in Africa and Asia, which generated several new countries claiming their right to development. On the other hand, the oil shocks of 1973 and 1979 profoundly impacted the global economy, which eventually destabilized the industrial growth of the central countries. In the case of the United States, this picture was particularly striking, as it added to the high cost of the Vietnam War and the loss of commercial space for the growing industrial production of Germany and Japan.

possible, creating the conditions for the unrestricted activity of large corporations in international markets. All these initiatives were aimed at restoring the global economy and ensuring that large corporations could ensure high-profit margins (David Harvey, 2004). As a result, major corporations in the cultural sector were able to expand their internationalisation process and form large transnational conglomerates, which greatly strengthened their global power.

In parallel to this process, the development of new communication technologies and the emergence of new business techniques (such as re-engineering, downsizing just in time and total quality management) allowed such corporations of the cultural sector to make their production process even more efficient and diversified. This gain in productivity had the effect of broadening the global reach of their products. On the other hand, these new communication technologies led to the emergence of a networked society, in which information and knowledge became fundamental factors for social relations and as the engine of new economic dynamics (Hesmondhalgh, 2013; Castells, 2013).

While, on the one hand, the new economic policies made possible the rise of a neoliberal wave, the new information technologies, especially the internet, changed consumption habits and triggered profound transformations in cultural production and circulation. Therefore, the continuous technological improvement of global information and communication flows made possible the rise of a network society (Castells, 2013) and the rise of the Information Society discourse. This new model of social and economic interactions created the conditions for cultural and symbolic productions to circulate more intensely throughout the globe (Almeida, 2008; Hesmondhalgh, 2013).

Therefore, the crisis represented by the “Long Downturn” opened space for a deep restructuring of the cultural production model, which eventually led cultural industries to reach centrality in the international economy. As a result, the main corporations in the sector began to organise themselves as multimedia conglomerates, expanding their capacity for production, diversification and diffusion of cultural products, which allowed them to increase their dominance at the global cultural market. Today, these conglomerates concentrate their power of production and symbolic diffusion, which gives them the ability to establish patterns of cultural consumption, set trends across the planet and position themselves as cultural gatekeepers, which gives them the power to silence productions or producers that do not match their interests.

(...) the new information technologies, especially the internet, changed consumption habits and triggered profound transformations in cultural production and circulation

In the midst of this process, and as an unfolding of the discourse of the information society, the word “creativity” describes one of the driving forces of the post-industrial economy driven by ideas, creativity, and knowledge. This argument gained ground in the mid 1990s when the governments of Australia and the United Kingdom began to articulate their goals of implementing new cultural policies, which were now justified by the argument for stimulating the creative potential of localities. This discourse was based on

a neoliberal narrative, which sought to revitalise cities which had suffered a decline in commercial or industrial activity during the Long Downturn period, by redirecting economic vocation to the field of creative economics. The relative success of some of these projects, such as the reinvention of the Welsh/English border town of Hay-on-Wye as a literary centre, helped the creativity argument to gain popularity among politicians, entrepreneurs, and market gurus. Thus, the term creativity, as a justification for public policies aimed at cities, turned into a more powerful economic argument, being incorporated into the broader discourse of governments and corporations.

The emergence of the term creative industries seems to be a further development of this continuous process of incorporation of all aspects of human expression and its linkage to an industrial logic of production by the capitalist system.

Following this, a hype around the word creativity arose, which underpinned the idea of a potent creative economy established in the 21st century, driven by the rapid advance of the globalisation process and the expansion of global information and communication flows. The expectation of the potential of this new economy began to be evidenced in various reports and books published at the turn of the new millennium, describing cases of success and optimistic projections for the future.

This optimism reinforced the hype around the term creativity, broadening projections of

the creative economy's boom. Intellectuals and research centres began to promote the narrative that the creative economy would point to new ways of generating income and development, and, thus, not only companies but also governments should invest in the so-called "creative industries" and devise mechanisms to become competitive in such a promising sector.

It is possible to conclude that the construction of the narrative about the potentialities and possibilities of a creative economy is, on the one hand, linked to the expansion and consolidation of neoliberal ideology in the 1990s, and, on the other, it is linked to the consolidation of the hegemony of production and diffusion of cultural products in the hands of a few multimedia conglomerates. An unfolding process of de-regulation of the 1980s, which allowed corporations operating in various industries to merge with other companies working in various sectors of cultural production and related fields, such as information technology, fashion and video games.

The emergence of the term creative industries seems to be a further development of this continuous process of incorporation of all aspects of human expression and its linkage to an industrial logic of production by the capitalist system. In this sense, such a concept would further reinforce the discourses aimed at blurring the contradictions and imbalances of symbolic production and circulation, especially regarding its high degree of concentration, its mechanisms of control and means of manipulation of perception. On the other hand, by uncritically highlighting the creative industry's high rates of growth, this concept ends up with a vain optimism, as many of these figures, which sustain the boom of the creative economy are vague and often contested. As a result of this,

the popularisation of this concept may distort the necessary reflection on the real impact of this industry on people's lives and social relations, by propagating a false chance of success for all those who know how to invest in creative industries, due to the high degree of concentration and competitiveness in this market.

Therefore, the popularity of creativity may mask the fact that cultural industries have been consolidated through the constant processes of exclusion, domination and manipulation. With this in mind, I believe that the concept of creative industries can have the effect of obfuscating the critical view embedded in the concept of cultural industries, emptying a whole history of reflections initiated by the critical thinkers of the Frankfurt School on the process of appropriation of culture by the capitalist system.

Globalisation, creative industries and development

As demonstrated above, this article argues that the current hype around the term creativity and the optimistic projections about the economic potential of the creative industries are directly related to the political, economic, social and cultural transformations that occurred all over the globe between the 1980s and 1990s. These transformations began with the series of economic and political reformulations implemented since the 1980s in response to the crisis of the period or, according to Hesmondhalgh, "the Long Downturn", which paved the way for the rise of neoliberalism. Then they were driven by the new communication technologies such as the Internet, which amplified the global flows of information and interconnectivity

among people. Finally, they were spread throughout the planet with the expansion of the globalisation process, which consolidated interdependence between states throughout the first decade of the 21st century (Nye, 2004; Sassen, 2005; Scholte, 2005).

The point to raise here is to offer a reflection on how this process can affect peripheral countries with great potential for cultural production, that are now concerned with protecting their cultural identity. While these transformations created the conditions for the expansion of global symbolic production flows, they also expanded the domain of production and diffusion of these products by a few corporations, which took the form of multimedia conglomerates. Therefore, this type of reflection is fundamental for these peripheral countries to better evaluate the best insertion strategy in this market in order to find the necessary breaches in the rigid structure of global cultural production and convert the economic strength achieved by creative economy into a real vector for development.

In this sense, I will start this reflection by raising some questions about how cultural production and consumption can be affected by the globalisation process. The 'cultural imperialism' perspective raises the question of whether this global flow of texts, dominated by such companies, would generate processes of acculturation. Alternatively, the active audiences' theorists argue that there would be some ambivalence in such flows, which would in the end generate less asymmetric interactions.

In this respect, Canclini argued that there are no passive recipients and therefore the intensification of cultural exchanges promoted by globalisation would not generate acculturation, but rather the

hybridisation of cultures and identities. However, Hesmondhalgh pointed out that although cultural imperialists do not take the analysis of the high degree of complexity and multidimensionality achieved by global cultural flows into account, one cannot fail to consider that, coupled with the process of globalisation there are certain processes of cultural domination and homogenisation (Hesmondhalgh, 2013).

Such reflections allow one to raise questions about the complexities and ambiguities of the process of global expansion as a means to understand how its unfolding into the field of culture can impact political, economic and social relations.

Renato Ortiz (1994), in turn, sought to broaden the debate about the possible emergence of a global culture and its economic and social implications, by coining the concept of world-modernity. The world-modernity would be a kind of driving force of cultural globalisation, capable of shaping the 21st century society according to the new patterns and traditions arising in post-modernity. This new environment would have something culturally interconnected due to the new identities and shared values that emerge as globalisation advances, forming a kind of global community that would subvert the logic of a mass cultural market.

According to the author, the post-modern diversity would become the motor of cultural industries. However, the kind of diversity valued by this new global society would be conditioned by well-established parameters controlled by powerful centres

of diffusion of culture and values. Therefore, there would be a process of standardisation of internationalised profiles, generated according to the internationalised values and customs sterilised of any direct connection with a specific national identity. Ortiz also argued that in this new society and new identities shaped by the new processes of building traditions and consumer habits are globalised. This results in the reinforcement of the processes of standardisation and control in line with the specific interests of those who maintain this new economic-cultural system.

The strategy is to segment the world's population through the dynamics of the "world-modernity" according to their consumption habits based on globalised values. The actors that best positioned in this environment are the transnational companies that act like great multimedia conglomerates with decentralised networks. This strategy makes these conglomerates bring together various activities in a single corporation which allowed them to greatly expand their capacity to produce and disseminate cultural products.

Such reflections allow one to raise questions about the complexities and ambiguities of the process of global expansion as a means to understand how its unfolding into the field of culture can impact political, economic and social relations. However, even without the exact measurement of the phenomenon, it is possible to perceive that there is an expansion of the internationalisation of cultural businesses and that the consequent expansion of the global circulation of information and cultural products has caused profound impacts on social and economic dynamics (Hesmondhalgh, 2013).

As shown above, one of the impacts of the globalisation of culture is the significant

The strategy is to segment the world's population through the dynamics of the "world-modernity" according to their consumption habits based on globalised values.



influence of the main cultural diffusion centres on various patterns of behaviour and consumption, which reshapes fundamental characteristics of various societies and creates cultural clients. On the other hand, this new economic system driven by ideas and no longer by objects (Reis, *ibid.*; Howkins, 2007), which has led to hyper-valorisation of the creative economy, is restrictive and exclusive. This is because this economic system is dominated by multimedia conglomerates that place great power on the production and diffusion of culture as well as dictating cultural trends and concentrating intellectual property rights. Within this framework, there is little chance that actors who do not have these resources will be truly competitive in this sector, even if they have great creative potential.

(...) one of the impacts of the globalisation of culture is the significant influence of the main cultural diffusion centres on various patterns of behaviour and consumption (...)

The shift of meaning in the available concepts which could help make sense of this process is fundamental. While they are determining factors to how governments, companies and people, in general, will perceive and position themselves in relation to these dynamics. In this sense, each of these concepts reflects relations of power and interests that permeate the production and circulation of symbolic products.

Therefore, the term “cultural industry”, a product of the critical reflection of the Frankfurt School, came to denounce the process of commodification of culture

and the loss of its liberating aura by its incorporation into the capitalist system. This concept was later updated to “cultural industries” by French sociologists to portray how that industry had grown and complexified and ultimately retained its critical and anti-hegemonic character.

However, the emergence of the term *creative industry* can be considered not as a continuation of this critical reflection, but as a rupture, a byproduct of the very process that the Frankfurt School began to criticise. This characteristic makes the term *creative industries* an uncritical concept and over-optimistic over the directions taken by the production and diffusion of symbolic products in the 21st century. Therefore, instead of unravelling the contradictions and injustices of this process, the term *creative industries* seems to seek to reify this process, masking the relations of power and interests that have always permeated this industry.

Thus, by selling vague and superficial optimism as the possibility of any creative producer from anywhere on the planet to find its place under the sun in this burgeoning creative economy, it has the effect of distorting and making superficial the fundamental debate about the impacts of the expansion of cultural industries on international, economic, social and cultural relations. Therefore, while creative optimism is propagated (it is yet another product to be marketed by this industry), important questions remain open; mainly in relation to the impacts of the expansion of this industry to the preservation of global cultural diversity, for overcoming the economic asymmetries between developed and developing nations and for the implementation of cultural policies by peripheral countries.

Conclusion

Through a long term analysis perspective, this article sought to analyse the factors that entail the current hype around creative economy by looking at the trajectory of an industry that produces and diffuses symbolic products. It specifically focused on the analysis of the concepts that help to explain and make sense of such phenomenon, seeking to identify the relations of power that permeate them and the possible social impacts of these power relations. This analysis allowed raising some questions about the opportunities and challenges that this scenario presents to the countries, mostly peripheral ones that seek to develop their economic strategies, based on cultural policies that aim to turn their national cultural expressions into source of revenues.

This analysis considered that the current hype around the creative economy is yet another step into the process of expansion of the capitalist system in time, space and for various human, material and immaterial activities such as cultural production and intellectual production. This stage was driven by the conjunction of two dynamics: the continuous expansion of the industrial production of symbolic products in the hands of a few transnational corporations and the production of concepts that describe and give meaning to this process. As shown in the article, the consolidation of this conjunction from the 1980s onwards created the conditions for the rise of a new narrative around the great economic potential of the creative economy in the Information Age. Thus, boosted by the expansion of the globalisation process and the new media revolution, the creative industry hype reaches its apex in the first years of the 21st century.

My argument is that these two dynamics started as two dialectically antagonistic

forces. Throughout most of the twentieth century, both the concept of the cultural industry, coined by Adorno and Horkheimer, and its later updated version, the concept of cultural industries, made by French sociologists (like Bernard Miége), were developed with the objective to criticise and reveal the contradictions, distortions, power relations and social impacts of the process of commodification and industrial reproduction of cultural expressions, emphasising the problem of symbolic production being concentrated and dominated by an oligopoly. However, at the end of the 1980s, these two antagonistic dynamics began to merge, as an unfolding of the accumulation of power that cultural industries began to achieve in that period. A milestone in this process was the process of deregulation and re-regulation, which was established as the response of the central countries to the political and economic crisis of the period, which not only made possible the broadening of power of the main corporations that have always dominated this sector, but also influenced the process of analysis on the expansion of cultural industries.

Therefore, what Hesmondhalgh described as "The Long Downturn", despite the crisis and perhaps because of it opened up a new opportunity for the reformulation of the global economic order, based on a series of measures linked to the neoliberal paradigm, which allowed a greater concentration and the increase of power of major corporations dominating the sector that have come to take the form of multimedia conglomerates. The process similar to what Schumpeter (2009) described as "creative destruction" in which the continuous movement of pressure and contraction in the expansion of capitalism, a process that transforms crises into an opportunity for transformation, which, in the end, further strengthens its strict structure and creates new avenues to continue its

expansion. In this sense, the response to the crises of the 1980s gave conditions for the cultural industry to accumulate more power and thus generate another tentacle: the production of uncritical concepts about itself, whose ultimate function is its reinforcement and rectification.

In this new phase, the production of these new concepts tends to obscure the traditional concepts that critically analysed the expansion of the cultural industries, thus creating vague models of interpretation. The term "creative industries" falls into this category, since the concept has the function of generating a new narrative about this process, which would have the effect of not only emptying the critical character of traditional analyses of the cultural industries' dynamics but mainly to function as a mechanism for strengthening hegemonic order and discourse. As this analysis revealed, the emergence of the concept of creative industries, as well as optimism around the creative economy, is a byproduct of the continuing process of expansion of cultural industries. And, in this sense, they are also cultural products, which were produced by mechanisms and logic intrinsic to the industry itself, to exalt the economic potential and the opportunities opened by a supposed creative economy on the rise. Therefore, they would function as masking the contradictions and power relations that underpin this industry, reinforcing its expansion process and rectifying the discourse which underpins this process.

In this sense, it is fundamental that actors who aim to compete in the creative field, but who are outside of the dominant centers of this industry, understand this process and the functions of the concepts and discourses developed that give meaning to it, in order to better understand

the relations of power and interests that sustain this industry, and from there, have more clarity about the real challenges and opportunities that this scenario presents to the countries, especially peripheral ones, that seek to develop economic strategies in this field. The way in which the production and diffusion of cultural industries are structured, dominated by a few multimedia conglomerates, which maintains practices of strict control of the global circulation of cultural products and great power of promotion and marketing of its products, has the effect of excluding other producers and threatens the preservation of the global cultural diversity.

It is therefore imperative that peripheral countries seeking to create a development strategy based on the cultural economies or seeking to protect their national cultural identity against the backdrop of a global process of standardization of cultural habits and worldviews, have the exact notion of the mechanisms that dominant corporations use to maintain their hegemony, expand their markets and exclude other competitors. Understanding these processes can help these countries to position themselves realistically and critically against this reality and, from there, develop the strategies that best suit their interests.

Therefore, the goal of this article was to draw attention to this fact, highlighting the need to re-incorporate a critical perspective initiated by the Frankfurt School to the current debates on the potential of the creative economy. This critical perspective should serve as a parameter of action and strategic positioning for the peripheral countries that aim to implement development projects that include the cultural aspect.



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INTER

VIEWS

Nesta and the Evolving Creative Industries

Policy Agenda in the UK and Australia

Hasan Bakhshi¹ with Terry Flew², Greg Hearn³ and Cori Stewart^{4,5}

This is the edited transcript of a public interview that took place between Dr. Hasan Bakhshi, Executive Director, Creative Economy and Data Analytics at Nesta, and Terry Flew, with questions from Greg Hearn, Cori Stewart and other participants. The interview took place at the Creative Industries Precinct, Queensland University of Technology, Brisbane, Australia, on 13 September 2017. The interview covers the history of Nesta, its role in shaping UK creative industries policies, and lessons for other countries around arts funding, education and skills, and the relationship to research policy.

Terry Flew: Hasan, first, could you provide an overview of Nesta. What is it, how is it funded, and how did it come to be playing such a key role in policies towards the creative industries?

Hasan Bakhshi: Nesta was set up in the late 1990s by New Labour as the National Endowment for Science, Technology, and the Arts. That acronym has now been dropped to just Nesta. But that title was significant because it was set up as an agency which would support talent working at the nexus of science, technology, and the arts. The idea was that there was a need for multidisciplinary and interdisciplinary research and creativity, which was, if you like, being undersupplied in the national innovation system. It morphed over time into an innovation agency, and 5 or so years ago it was made independent from government. We're now an independent charity, and we have a charitable trust in which the endowment is held. It's an endowment first funded by the National Lottery. We had some very good news over the summer that Nesta was made an Independent Research Organisation (IRO), which means that we can bid on the same basis for research grants in the UK as universities, and Nesta researchers can now be named as principal investigators on large-scale research grants.

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We have a research unit, where we do basic and applied research, which is trying to support the overall objective of promoting innovation in the UK. We also do a lot of policy development, and a fair bit of our research, at least in the creative economy area, is aimed ultimately at informing public policy. This is based on the assumption that one of the ways to achieve scalable impact if you're a smaller organisation is through affecting policy change. So we do a lot of policy development. But also, importantly, we run practical innovation programmes, where we often combine the funds from the endowment with co-funding raised from other organisations to run experimental programs, to test out new ways of supporting innovation. In some cases, this is done with an eye to designing policy interventions that the government can take up if those interventions are successful. In other cases, we're directly trying to affect change by working with stakeholders in the third sector and business, and arts and cultural institutions. Where Nesta is at its best is when the research and its programme arms come together, and its sweet spot, in my view, is as a research-led experimental development agency, which is very plugged into government, private and third sector practice. We can take, for example, the insights from research-led experiments into public policies and then hopefully achieve impact at scale.

We're embedded with policymakers in some ways, and one of the challenges any institution has in this position is not to get captured by the interests of the government of the day. But, by having that close relationship with the government, we have some privileged opportunities to affect change through our research ideas. As a result of which I have built up a lot of tacit knowledge over the years. Through sitting on various bodies, like the government's Creative Industries Council, co-chaired by two cabinet ministers – the Culture Secretary and the Business Secretary – as well as an industry leader, and the Department for Digital, Culture, Media & Sport's (DCMS) Science Advisory Council, where the Department taps into academic research expertise in order to inform its policy work. Membership of these bodies gives quite a nice opportunity to bring research insights very quickly into public policy.

Terry Flew: Your own background is in economics, and going back at least as far as John Ruskin and Oscar Wilde, and probably earlier, there's a perception of a binary between economics and the arts, data and culture, the quantitative and the qualitative, the social sciences and the humanities, and so forth. How do you think your own work has been of benefit to arts and culture in the UK? And what are some of the observations you bring from an economics background to working with these sectors?

Hasan Bakhshi: When artists and arts and cultural institutions operate in an environment of economic constraints, just like as everyone else, economics as a theory of resource allocation is clearly going to have something important to say about the arts and cultural sector. In a deeper sense, economics is really a theory of value, and what that allows economists to do is make normative judgements about the way that resources are allocated in society. However, economics is a particular perspective on value, a utilitarian perspective, which means that it has relevance to some aspects of arts and culture, but in other areas it doesn't.

On a personal level, one of the motivations I have as an economist for working in this area is the desire to understand where the boundaries are between what economics can tell you about culture and what it can't. And this is really important in the world we live in where economics is such a dominant paradigm for thinking about, and for informing, the way in which decisions are made. We need to understand the limitations of economics as well as its power. And so I think there's a critical but constructive relationship between economics and art and culture.

Terry Flew: You mentioned that Nesta has become an Independent Research Organisation. And this comes at a time where there's a growing expectation that universities will be involved in work that has impact as well as excellence, and that universities and cultural institutions will contribute to innovation agendas. Based on the UK experience, are there observations you would have on where there have been successes in these sort of engagements, and any lessons to be learnt?

Hasan Bakhshi: Given that there has now been this 'creative industries project' for 20 years, there's been quite a long time for universities that are providing creative education, or research universities that do research in this area, to make the case to government alongside other disciplines for funding. And so we have seen over the years some significant, albeit quite fragmented, public investments in research about the creative industries. I believe one reason these has been small scale and fragmented is because there hasn't been sufficient engagement with the mainstream concepts of innovation and research as understood by governments. It's one of the reasons why I think it's so important to use a vocabulary of research and development in a lot of the experimental work that we do in the arts and creative area. If we can, through the experience of the creative industries, revise the way that the government thinks about what R&D is, then that will put public funding for research in the creative industries and arts on a much stronger basis.

I think alongside that, the other area where there's been really very little compelling research is on evaluating the performance of these types of activities in the arts and creative areas. If you think about why R&D as a concept has dominated science and innovation policies for decades it is partly because its definition has been codified in a manual – the OECD Frascati manual – and analysts have therefore been able to develop measures of the return on investment in R&D. It has enabled economists over decades to write papers exploring the relationship between R&D and the social and economic return on investment. We don't have anything like that for the creative industries, and so we have a situation where a government is very open to the idea of supporting R&D in the creative industries, but when they come back to you and say, "Well, how much R&D is there in the creative industries and how much does the UK benefit from it?" we can't say. We don't have methodologies for evaluating the return on investment, nor can we therefore establish the existence of market failures. And unless we start engaging with the mainstream science and innovation framework in the UK, we're going to continue to hit this barrier of fragmented research projects in the creative industries rather than anything of bigger scale.

Terry Flew: In your presentation you talked about the relationship of the creative economy to the digital economy, and the digital economy attracts a lot of attention in Australia. Probably more so than the creative economy, and we may want to talk about that, but there have been government departments devoted to the digital economy for at least a decade. If you say you're going to talk about robots, artificial intelligence, driverless cars, what does the rise of Uber and AirBnB mean, etc., you get a constituency that readily engages with that. Do you want to comment on how Nesta has navigated those relationships, and what sort of lessons there might be for creative industries faculty in terms of how it engages with digital agendas?

Hasan Bakhshi: Governments get the economic and social significance of new technologies. And so this is why the perceived close relationship between the creative industries and digital technology has been so significant in the UK in terms of government taking the creative industries seriously. If we were making the case for creative industries R&D independently of technology, we would have much less traction with government. So I think it's actually very important that we understand this integral relationship between the creative industries and digital technology if we want to influence policy.

The creative economy and the arts is actually only one of five priority areas in Nesta's new three-year strategy: education; health; innovation policy, by which we largely mean business innovation policy, and government innovation make up the rest. And so all five of those areas, if you look at what we're actually doing – whether it's research, policy development or practical experiments – are motivated by the opportunities and challenges arising from disruptive technology. In all those areas, some might argue that we are being technologically reductionist, but it's a conscious decision to look at technology-related issues as that's where we see a lot of potential for innovation. A good example is our R&D funds with Arts Council England, which had a digital technology focus. Through that we hope we can create an interest in government which will allow us to get into more fundamental issues about the role that creative industries, and the humanities, arts, and social sciences can play.

Greg Hearn: Thank you very much, Hasan and Terry. A lot of the work that you have been doing using online jobs data has relevance to most people because they think of occupation as an output in an economic system, and everyone wants to know where the jobs are. So, for many politicians the question is, “So creative industries are good because there are jobs there, and they’re growing”. In fact, I think most labour market economists think of occupations predominantly as an output of an economic system, and they ask questions such as “Is this area or is this class or is this gender adequately represented with outputs in these occupations?”. Do you see a role for thinking of occupations and skills as an input into an economic system, and if so, how would you sketch out that kind of analytical agenda?

Hasan Bakhshi: Economists would naturally be drawn to thinking of skills and occupations as inputs to production, right? It’s the concept of human capital, in so far as you’re interested in productivity growth. In the UK, for example, it turns out that skills, in so far as we can measure skills accurately, account for only about 1/5 of the UK’s productivity gap with our main competitors. But I view occupations really as an institutional wrapper for a combination of capabilities, skills, knowledge, which come together for productive use. And markets do a rather good job, actually, of identifying what those occupations should be. But they are institutions, so they don’t just have an economic dimension to them. Issues to do with gender, diversity, lack of ethnic diversity, these are critical. These underpin some of the drivers which motivate, which determine what the boundaries of those occupations actually are, and they’re fluid.

Another way of putting this is to consider the statistic that the World Economic Forum has cited, that 65% of young people entering into education today will go into jobs that don’t yet exist. I find that quite difficult to get my head around. Because that assumes that there is this given thing called a job, and are you going to move into it or not. Well, humans have a huge degree of agency, as do businesses. Individuals and businesses will create an occupation, they will reconfigure an occupation if it’s in their economic interest to do so, and likewise we should, as educators, feel that we have the chance to reconfigure occupations too.

Going back to my point about economics and culture. There is a tendency within economics to think that the whole thing is all about economic growth and economic objectives, and economists would tend to underplay the importance of some of the more political and sociological considerations. I can’t profess to be an expert on those, but I’m very aware from working in policy of their significance. I don’t know if that fully answered your question.





Cori Stewart: The Digital, Media Culture and Sport Department, was that where you were saying that the culture and heritage has been split off? Can you talk about that a bit more?

Hasan Bakhshi: A couple of months ago there was a restructure of Ministerial portfolios within the DCMS in the UK, and the Creative Industries Minister who previously used to have responsibility for culture and heritage and creative industries, his role became like a super digital creative role, and culture and heritage was shifted to another Minister's portfolio. The gut reaction from a number of creative industry organisations was, "This is really terrible, because it's downgrading culture, and it's neglecting the economic contributions, and the contribution to technology, that these sectors make".

Personally speaking, I think it's a more coherent way of organising these sectors from the viewpoint of economic and cultural policy more generally.

For all the successes of the creative industries as an economic concept, and how important I think this is for the UK going forward, I think that the conflation of cultural industries and creative industries has led to a relegation of cultural policy in the UK. If you ask some in government, "What is cultural policy?" they might respond with things like the Cultural Olympiad and the BBC. But that doesn't amount to a cultural policy in my eyes. A cultural policy would really tackle issues to do with inequality of access and the lack of gender and ethnic diversity in the arts, for example, and issues of engagement with publicly funded arts and culture. There hasn't really been energetic engagement by government with those issues in my eyes, and I feel that's not been helped by the conflation of cultural and creative industries, and therefore the separation of these two Ministerial briefs, I think, could in principle be a good thing. Actually, having a Minister who's supporting the cultural sector primarily on cultural grounds would be an improvement on supporting the cultural sector primarily on economic grounds., and those arguments have tended to be lost because they've been sort of pitched against economic arguments, and given that the world we live in, they've been destined to lose out.

Cori Stewart: Here in Queensland we really haven't had an arts and cultural policy for many years either. We have a very large investment by the state government in a program called Advance Queensland. Arts and culture doesn't have access to that investment, and so we have sort of relegated to investing in traditional arts, and then we have innovation, and the twain aren't meeting at all. We have that history of having a creative industries policy in Queensland and it came and went, and now we don't even have that crossover conversation at the state level. I'd argue that we don't have it at the Federal level either.

Hasan Bakhshi: I do see where the risks lie with that. To give an example, the current Creative Industries and Digital Minister in the UK, when he was Cultural Minister too, kicked off something called the Culture is Digital Review, and that's in its tail end of deliberation, and will be publishing a report with some policy recommendations in a few months' time. The question is, would that Review have been initiated with the current ministerial structure? I think one of the reasons it might still do so is that in the UK there are strong organisations such as Arts Council England and Nesta. There are organisations like us who are outside government, but who believe in the importance of the digital technology and culture agenda, to keep promoting that agenda.

The other thing I would say in the UK that's been really important is that the creative industries themselves have really co-opted in to this whole agenda. I spent large amounts of my time as a researcher and as a policy analyst with industry people. So with R&D as a good example, we have for the last 6 or 7 years been running digital R&D funds, and they're leading to research outputs as well as digital innovations in the arts. But, alongside this, we've been looking at what the OECD's deliberations are on R&D definitions and have proposed a definition of R&D, which we're looking to discussing with the tax authorities through the UK's Industrial Strategy. We're consciously working with industry leaders to push for changes in government policy. I don't know if the equivalent is happening here.

Terry Flew: I was asked in Portugal recently to comment on the creative industries in Australia, and “What’s Australia good at?” was their interest. So I had a look at the Austrade site and saw what do we project to the rest of the world that Australia’s good at. It does have a category for creative industries, and the three areas it showcases are digital games, screen production (including screen locations), and cultural precincts. They’re actually the three things we identify as being good at, and they’re very boundary spanning categories. They’re tied up with the digital, they’re industries in their own right, they’re connected with design and the built environment, and so forth. I’m also aware, as we’ve had recently as a guest here, Patricia Aufderheide as a Fulbright Fellow who studies copyright law, that one of the things she was very intrigued about in Australia was the hostility of the arts sector to companies such as Google, and their view that copyright reform threatens the arts because the Googles and Facebooks of the world will suck up all the money and send all the artists broke. To her, that seemed a very different debate to what it is in the US. She just hadn’t seen that the arts community is invested in the status quo on copyright and intellectual property to the degree it appears to be in Australia.

Hasan Bakhshi: That’s interesting. In the UK, there’s a general feeling that the subsidised arts and cultural sector have fairly low levels of IP awareness. So, alongside the Google enthusiasts, there has been a concern from some cultural institutions about whether they can secure favourable IP terms when it comes to initiatives like Google Arts & Culture. But the copyright lobby is still very much led by the music and publishing industry in the UK, and the arts and cultural sector hasn’t really been particularly vocal in those discussions, it has to be said.

Certainly the big national cultural institutions in the UK are very active and engaged with digital technology. In fact, one of the really welcome developments in the last 3 or 4 years is that you’re getting these interesting partnerships between cultural institutions and tech companies where the tech companies are basically funding the R&D for the cultural institutions. And some of the biggest digital cultural innovations in Europe like the Berlin Philharmonic’s Digital Concert Hall and the Tate Gallery’s recent experiments with Virtual Reality, have been funded by very significant R&D activities by tech partners, and I think that, given the deep affinities between tech and creativity and culture we discussed earlier, there’s more that can be done here. And then the big attraction of that type of activity for Ministers is that Ministers can nudge people into partnering without government having to spend money. So I think we are going to see more of that type of intervention going ahead.

Question from the floor: I'm interested in how representative bodies for the creative industries are created. The national federation that could pull disparate areas of creative industries to a common program. Who drove that and how was that wrangled?

Hasan Bakhshi: I think one of the reasons why the Creative Industries Council was successful was that government initiated it, right? So if two Secretaries of State ask you to join a group, a club, even, you know, the elite, the Chief Executives of the leading UK creative businesses will say yes. So that's one thing.

The second thing is that there were some organisations represented at the table, like Nesta and Creative Skillset – organisations, you know, not quite industry, not quite government, in the middle – that had a bit of budget and could do work in this area, in terms of policy development and research. What that meant was that the Council did not have to immediately start working out who's going to fund activities. Because having discussions about raising funds in advance of actually doing anything runs into real problems.

And then thirdly, and this is really important, is that the Council quickly identified which areas there was alignment around. Skills issues were an example: all the creative industries could rally against the government because of concerns with the education reforms the government was introducing in England 2010 which promoted STEM over the arts. Whereas in areas like IP there were too many disparate interests around the room. So it's very political but that's how it's worked, and I haven't seen many of these councils in other countries. The Netherlands have attempted to create one, the UK's does work very well, it's an interesting model for people to look at.





Greg Hearn: EMI is a really interesting case study of mine because it was a hard core electronics and R&D company as much as it was a record label, and it seemed to be able to bridge the culture between the scientific or these days what would be the digital. So let's say the technical expertise spectrum as well as the artistic and aesthetic and expressive skills. Sony is a company who's been able to make that transition as well. So it is clearly, it's clearly possible, and yet I think for many of us here working in the creative industries, we find in terms of our curriculum and our skill development that the digital and the aesthetic expressive can be kind of a little bit like oil and water in the heads of students. So when you were looking at your bundles of skills that made up particular occupations, did you get any insights into particular aggregations of bundles of skills that particularly suited this crossover between digital and aesthetic skills and capabilities?

Hasan Bakhshi: There's one piece of work we have published at Nesta called "A closer look at the creatives":⁶ an interactive data visualisation that uses online job ads. So imagine you've got all these millions of online job ads, each coded to four-digit standard occupational classification codes. In that exercise, we looked at the creative occupations as determined by the DCMS's definitions of creative occupations and then did some clustering of all the tags associated with those job ads. By which I mean, we identified which groups of skills tended to co-occur in job ads. We published an interactive data map which allows you to interrogate this data, and we identified five clusters, and of these five clusters, one of them we called 'tech', based on what those tags were that appeared. And they're very granular; because they're job ads, these are employers in their asking what they want in their own terms. So, they don't translate into these high level skills concepts that as analysts we like, right? Like problem solving, cognitive skills, social perceptiveness, they go much more granular than that. The disadvantage of that is that there are myriad ways that employers can describe their needs and just trying to make it work is hard. We label another cluster 'making skills', and another 'marketing', and we look to see how prominent are these different clusters for different sub-occupational groups. So you can look into architecture, for example, architectural occupations, and get a real sense of which combination of tech skills, at a very granular level, are required in combination with creative skills. It's really interesting because what you find is not just that you've got the tech cluster, tech skills appear strongly in other clusters as well. Which is really definitive evidence that employers, rightly or wrongly, don't just want to bring people with creative and tech skills together in teams, they want individuals who can do both.

6 - <https://www.nesta.org.uk/blog/closer-look-creatives>

Greg Hearn: We've got a local creative tech company, Cutting Edge, and a conversation with them that that was exactly what they were saying. They are actually looking for high end creative aesthetic narrative skills and high end digital skills in the same head.

Hasan Bakhshi: Yeah, and a surprisingly large number of the jobs ads have salaries included in them, and we know many of these creative tech roles are high paying. Its quite a powerful data set for young people considering what do they actually want to do next and where they should invest in skills.

Question from the floor: Hasan, based on your experience in the UK, do you have any suggestions for how the government in countries like Indonesia, the country where I come from, should deal with the evolving creative industries in terms of the policy making process. Because this disruptive technology is a new thing for both government and also it's people, so we are dealing with this kind of technology.

Hasan Bakhshi: I must say that I don't know about the Indonesian economy myself, and obviously one has to be very humble in terms of what I can suggest. The one thing I can say is that when we typically think about policy interventions, we think of the economic paradigm of identifying market failures and working out which instruments can be used to address those market failures. But this tends to underestimate the role of measurement and labelling in legitimising sectors.

When it comes to measuring, one thing I know is the proliferation of creative industry measures in developing countries⁸ is a very bad thing. We've got potential standards out there now, Nesta's Dynamic Mapping method⁷ – which has been adopted by the DCMS for official sector estimates – was developed as one such standard, so we've now implemented that methodology in the EU28 countries, and in the US and Canada.⁹ For me, in the UK at least, getting the metrics right has been a far more powerful way of supporting the creative industries than, say, piloting a new business support scheme. Partly because even if you can demonstrate that the latter has worked, it's highly unlikely to be picked up by other bodies because of the "not invented here" syndrome. We piloted a SME innovation support programme called Creative Credits a few years ago, which connected creative businesses with businesses in traditional non-creative sectors. And we did a really nice evaluation, we configured it as a randomised control trial.¹⁰ It was not picked up by anyone in the UK, but it was picked up outside in countries like Austria and Ireland, perhaps because it's politically easier to adopt 'good practice' from overseas.

7 - <https://www.nesta.org.uk/publications/dynamic-mapping-uks-creative-industries>

8 - <https://www.nesta.org.uk/blog/creative-europe-measuring-creative-industries-eu>

9 - <https://www.nesta.org.uk/publications/creative-economy-employment-us-canada-and-uk>

10 - <http://www.sciencedirect.com/science/article/pii/S0048733315000645>

Cori Stewart: Talking about measurement, you talked about the limits of the economy and talking about the value of arts and culture, and I'm interested in that. I'm interested in the context too, of continuing routine debate between economic versus social impact and the value of the arts, which we really still haven't tackled. So just going back to my other example, in a Queensland context, it's jobs and productivity. If you can demonstrate those outcomes, you can have access to those funds. If arts and culture can't demonstrate those outcomes it can't have access to those funds. But at the same time arts and culture cannot make a social impact argument either. So it's kind of a no man's land and I just wondered what your thoughts are.

Hasan Bakhshi: The Arts Council England has developed cultural impact metrics.

I think such metrics can become a powerful management resource. If you're running an arts organisation, and you want to have a more explicit understanding and enable a more explicit discussion with fellow executives about what your organisation should be doing, in terms of audience engagement and programming. That makes sense to me.

I think when it comes to informing public investment decisions across organisations, my view is that work has not got to the stage where I'd be comfortable with that. So, the metrics are a valuable management resource, but should they help in securing public funding? No.

I can't help but think that the arts and cultural sector can be more articulate still in making the case for public investment. Now I'm not making a point about methodology and measures, but just saying we can be more rigorous, a bit less presumptive. A bit more accepting of the fact that when you're making a case for public funds, you have to make the case on terms that the public funder wants. And because there are other areas which also feel they have a right to funding, you know? So I think making intrinsic value arguments to a public funder... you can make them, but it doesn't necessarily convince them. If we go to a private investor or foundation and make a case for funding, the first place we start is their objectives. Why don't we do the same with government? I think we could be a lot more sophisticated but I think how far we can push measurement is still not clear.

Terry Flew: Because the difficulty with a performance metric is that we know behaviour therefore gravitates towards the performance metric itself.

Hasan Bakhshi: If we treat measurement as a constructed institution, just like the Creative Industries Council, then when we think about measurement and the way that performance metrics are interpreted, we should be thinking more laterally about what processes need to be in place for those metrics to be used correctly. So, I'm a great believer in being explicit and trying to quantify and develop metrics to evaluate your performance against those. But I want to have processes of transparency, accountability and everything else in place so that you're continually re-optimising, and if something's not working, you can change it. We tend to think of our metrics in complete isolation from these processes, and there's a lot of institutional reform that could be done to improve things. There's a lot more that funders could do to communicate how metrics are being used, for example.

Terry Flew: If your visit to Australia was a success to the point where an incoming government said, "Right, what we need is an Australian Nesta" what would you advise the developers of an Australian Nesta to focus upon?

Hasan Bakhshi: The first thing I'd say is that, in principle, Nesta is a very natural institution for a country which is experiencing flagging productivity growth, and recognises that it needs some big change in terms of industrial structures going ahead, and recognises the political difficulties in actually achieving that change. Because obviously there are strong vested interests, and an institution like Nesta is a very powerful part of the mix to have, because it's structured to look at the long term. I believe that since we've become an independent charity, Nesta has become much better at doing that. We are incentivised to play the long game, and that has such a big implication for the nature of the research we do, and the nature of our relationships with government. Governments come to us for that, and I think having an institution in the mix which is incentivised to think in the long term is very, very powerful.

The other thing I would reiterate is that where I think Nesta has been at its best is in research-led experimentation. Take a project like the National Theatre's NT Live broadcasts of plays which initiated our work on Digital R&D funding many years ago. To really get a handle on audience impacts you need to run an experiment, and there aren't really many institutions in the UK that are well set up to do it because you need research capacity, knowledge of theatre, good contacts with the institution and the pragmatism needed to work with real businesses. When Nesta was set up we didn't really have the research capacity. But, over the years our research capacity has built up, which is why our new Independent Research Organisation status is such good news. I think if someone was starting a Nesta from scratch now, I would very much embed that research led element into its practical work at the outset.

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Terry Flew is Professor of Media and Communication and Assistant Dean (Research) in the Creative Industries Faculty, Queensland University of Technology, Brisbane, Australia. He is the author of ten books (two edited), 53 book chapters, 83 refereed journal articles, and 15 reports and research monographs, and have edited 13 journal special issues. He is President-Elect of the the International Communication Association (ICA), and has served on its Executive Board since 2012. He has been an Executive Board member of the Australian and New Zealand Communication Association (ANZCA) since 2001, and was ANZCA President in 2009-10. He is an Editorial board member of Journal of Creative Industries and Cultural Studies.

Greg Hearn is Director of Research Development in the Creative Industries Faculty and Interim Director of the QUT Creative Lab. His research has examined new media innovation and creative work and careers. His co-authored books include *Creative graduate pathways within and beyond the creative industries* (2017: Routledge); *Creative work beyond the creative industries* (2014: Edward Elgar); *Eat Cook Grow: Mixing human-computer interactions with human-food Interactions* (2013: MIT Press); *The knowledge economy handbook* (2005 and 2012: Edward Elgar); *Knowledge policy: Challenges for the 21st century* (2008: Edward Elgar); and *Action research and new media* (2008: Hampton Press).

Dr. **Cori Stewart** is the Director of Business Development in the Creative Industries Faculty at Queensland University of Technology, Brisbane, Australia. She builds research innovation partnerships across public and private sectors that make a real difference to industry and society. Her research interest is in cultural and creative industries policy development, including how it drives innovation across sectors such as manufacturing and health. She has held senior officer appointments in the Queensland state and local governments as well as advisor appointments with the Australian Government.

Creative and Cultural Industries as a Complicated and Contested Area. An Interview with Professor Stuart Cunningham

“It’s important to make a distinction between the importance of creative industries to economies per se, and the degree to which they are supported by government programs”, Stuart Cunningham, an internationally renowned media and communications academic, argues in a conversation with JOCIS.

By Fulvia Santovito for JOCIS

JOCIS interviewed Stuart Cunningham on the concept and definition of creative industries, its importance in different markets, and the wider trend called “the culturalisation of the economy”.

In your opinion, which subsectors should be considered as part of the creative industries and which should be excluded?

Stuart Cunningham: There has been a long and ongoing set of debates about this. They mostly relate to whether the GLAM (galleries, libraries, archives and museums) sector, or specific parts of that sector, should be in or out. The most rigorous approach to this question has been conducted by colleagues of mine through NESTA: <http://www.nesta.org.uk/publications/dynamic-mapping-uks-creative-industries>.

It seems that creative industries is more important in the American continent (especially Central America) and much less supported in European countries. What do you think about it? How is it in Australia? Do young people have many opportunities to work in the creative industries world?

Well, it’s important to make a distinction between the importance of creative industries to economies per se, and the degree to which they are supported by government programs. The US has the largest creative industries sector in the world as a share of the total economy, but has one of the smallest government support programs for these industries. So when you say important, you mean important to countries because of the importance they place on the value – not only economic – of the creative industries. In that sense, it may be true that Central American countries treat them with more care from a governmental and societal point of view – I honestly wouldn’t know. My sense is that the level of government support in European countries wavers with the degree to which they are recognised as economically significant. At a national level in Australia, policies to support the creative industries have run very hot and cold and, while certain states within the

country – Victoria, Queensland and others – have had their creative industries policy champions, it would be fair to say that the level of policy and program attention has been wavering at best.

I think universities’ research is the base of new discoveries and new ways of feeling the arts. How has academic research of creative industries changed in the last 10 years? What are the major trends that you notice?

Academic research in the creative industries has tended to be divided between critical humanities attacking the supposedly neoliberal base on which they rest, and the much more applied approach in the social sciences, where substantial work has been done on the geographical and sectoral dynamics of the creative sector, as well as its labour and innovation policy issues. Read the Introduction (Disciplinary Dispositions) to my major book on the subject: *Hidden Innovation: Policy, Industry and the Creative Sector*.

What are the biggest debates within the media, communications and cultural studies?

Again, I refer you to *Hidden Innovation: Policy, Industry and the Creative Sector* where I analyse in detail debates within media communication and cultural studies about the creative industries. By

and large, academics have been highly critical of the concept and as an advocate for the importance of creative industries in a social, cultural and economic sense, I have needed to engage these criticisms on many an occasion.

In your opinion what is the best way to build links between theory and practice of creative industries? How does it differ depending on the markets?

That’s an extremely good question, and I refer you to the ARC Centre of Excellence in Creative Industries and Innovation at <http://www.cci.edu.au/> which ran from 2005-2014 and is now a longer operating. I was its director for the length of its life, and its whole rationale was based on building links between theory and practice in the creative sector.

What are you working on at the moment?

You can get a very complete feel for what I am doing, especially since the end of the Centre of Excellence, by consulting https://eprints.qut.edu.au/view/person/Cunningham,_Stuart.html.

I have just completed and sent off to the publisher a major book, *Social Media Entertainment: The new industry at the intersection of Hollywood and Silicon Valley*.



What do you consider to be most important when developing creative and cultural policies for regions which appear to be more isolated and far from large urban centers?

Focus on what may be able to be done to keep young people from moving away, particularly enterprise creation that shows that there may be sustainable careers in the region; focus on cultural aspects of tourism, including adventure, green and cultural tourism; focus on what Internet-based enterprise can be stimulated such that distance is less of a factor; focus on the unique characteristics of the place, particularly if those characteristics have cultural elements.

When developing creative and cultural industries policies to attract talent, companies and investment, how important are clustering policies to achieve those goals?

This is a complicated and contested area, with huge investments in creative clusters being made in China for example. However, most successful large-scale creative clusters have developed organically rather than through policy intent, and over considerable periods of time. This doesn't mean that small-scale clustering can't be very beneficial to small businesses and sole traders who of course make up the large majority of the creative sector. They have been shown to work. So short answer: policy makers who want to adopt a cluster strategy, start small and build up. It's not at all clear that China's gargantuan cluster strategy works.

And as for the clustering policies, should there be a national approach or should it be a regional approach? Which one do you consider to be more effective?

Typically, regional, for the above reasons.

The concept of creative industry is not consensual. Do you consider that is a concept created in the context of a political and economical agenda and narrative or it can already be considered a solid concept by the academy?

Creative industries as a concept is a creature of policymakers. It attempts to build some conceptual and policy dynamism around a set of shifts in economies – the so-called culturisation of the economy – that is real, no matter how much critical academics might want to write critiques. In Australia, Queensland University of Technology pioneered the adoption of the term, creating a Creative Industries Faculty in 2001. Since then, another at least seven universities have adopted the terminology. You can't beat reality.

What do you consider to be the main critical factors of success for a country/region to develop and position itself in the international context at the level of the creative economy?

Policies don't create the creative economy. They may assist, and they certainly can inhibit. The main critical success factors have got to do with rigorous, evidence-based, assessment of the creative economy capability in that country or region, and long-term, consistent focus on the reasons for support and follow-through on programs that are implemented and tested as to their efficacy.

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Stuart Cunningham (2016), Hidden Innovation: Creative industries policy in Australia, in Javier Castro Spila, Javier Echeverría, Alfonso Unceta eds, Hidden Innovation: Concepts, Sectors and Case Studies, Gipuzkoa, España: Sinnergiak Social Innovation, pp. 11-23. ISBN: 978-84-935346-2-2.

Stuart Cunningham (born in 1953) is Professor of Media and Communications, Queensland University of Technology, and Director of the Australian Research Council ARC Centre of Excellence for Creative Industries and Innovation. He is well known for his contributions to media, communications and cultural studies and to their relevance to industry practice and government policy. He is a key figure in cultural policy studies and creative industries, he has written a number of influential books, including *The Media and Communications in Australia*. He was selected as one of a thousand notable Australians for the Australia 2020 Summit in Canberra in April 2008.

The Many Different Ways of doing Journalism. An Interview with Nico Carpentier

Nico Carpentier: *"We should acknowledge that there are many different ways of doing journalism, and many different identities possible".*

Leading media participation scholar argues that *"arts and media can give voice to people but at the same time they can be radically oppressive."*

Interview by Dinara Tokbaeva for JOCIS

JOCIS interviewed Nico Carpentier on the elements necessary for a healthy media ecology; the relationship between media, arts and democracy; and recent trends in European academic research on media.

We're doing a series of interviews with academics about media. It is interesting to talk about social and political aspects of media participation. You've written a book on the topic in 2011. How relevant is it nowadays?

Nico Carpentier: The book *Media and Participation*¹ was published in 2011. It contains a lot of work from earlier periods that I was updating. It covers several years. What the book was trying to do is create an idea and a particular way of looking at participation. There is a lot of debate about this notion of participation simply because it's a political concept. And political concepts are part of ideological struggles themselves, which also sips into our academic work. We too are not outside ideology, of course. And the main struggle - I would like to argue again - is whether we use an approach which I would call a sociological approach; where we use participation as taking part. Or whether we use a more political studies

approach where we see participation as co-deciding and exercising power. These are very different approaches, and there also translate in different academic definitions of participation. It simply is a matter of what to include when talking of participation. And the book, in that sense, is at the essence of this debate: it defends the second approach and the definition that participation is decision-making. It also explains some consequences of that approach because then you have to acknowledge that participation is not the same as interaction, and that participation is not the same as access. These are very different things. I argue that we should talk of participation when there is a moment of decision-making involved. So, it's a restrictive definition. But then we should also acknowledge that there are different participatory intensities. There are very different levels of participation. We can also find this idea, for instance, with Sherry Arnstein, who called it a ladder of citizen

1 - The Media and Participation book is open access, available here <https://oapen.org/search?identifier=606390>. It was very recently translated into Portuguese by Media XXI (<http://www.media XXI.com/loja/media-e-participacao/>)

participation. There is more than one way to share power. I distinguished between more minimalist versions of participation and more maximalist versions of participation. What I've argued is that in society there is a permanent struggle. Different groups want to minimise participation. Others want to maximise it. If we want to understand participation, we have to look at this as an ideological struggle. That's the main idea of the book. Is it still relevant? Yes, because the struggle hasn't changed. Is this relevant within the context of media? Yes, because a lot of our colleagues are putting an emphasis on social media as necessarily participatory, and we might need to be more careful

What are the current perceptions about media and participation in Europe? What are the key debates related to this political-ideological struggle that appeared since the book was published?

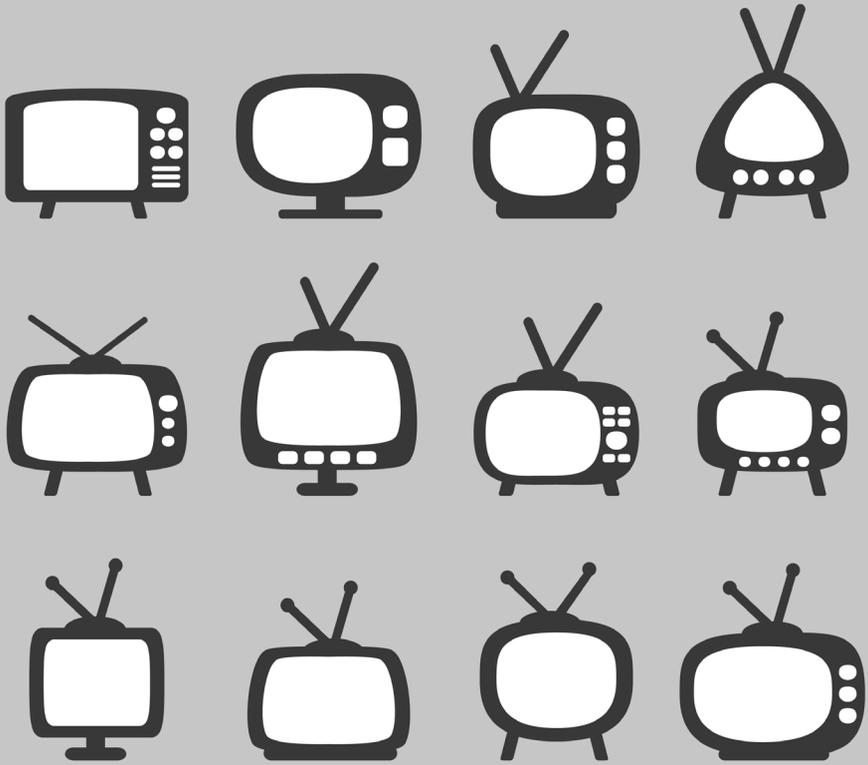
One of the key trends, obviously, is the rise of social media. What has happened is that we've started to focus on social media as an ultimate site of participation. The ultimate fantasy has been realised, some seem to think. Historically, that is simply not accurate. We, as academics, have to be a bit more careful, as we have too easily forgotten that there may be many different versions of media participation, many ways of organising participation. If we critically analyse this fantasy that we reached the point of full participation, I don't think we should accept it. When you start analysing the participatory intensities of social media, you should immediately take it into consideration that we don't get to decide on the policies of social media like Facebook. It's Facebook that decides, as a company. Participation in Facebook, as an organisation, is very modest. There are attempts to involve users and users have tried to engage with Facebook, using

activist strategies, yes. But users don't have the strong power position towards Facebook as a company. So there are these contemporary debates on participation that are more recent than the book.

The second main change is that the political context has changed. It's a dramatic and deeply problematic change. Our societies are getting more dragged into the logic of violent conflict. The way that our societies have responded to terrorist activities is a reason for concern. The fact and the ways that western countries are getting involved in wars, in different continents, is deeply troubling. And that is only strengthened with the coldness that Europe has exhibited in dealing with refugees. So we've evolved into a much harsher society, a society that is a society driven by anxiety. That's not a fertile ground for participatory logics. It pushes us into stronger leadership models. It pushes us into non-participatory models, with people looking for leaders that need to be strong and decisive. This is not helping to further the democratisation of our society. It is actually inverting it. Some of these conflicts were already there when the book was written, but the anxiety and anti-democratic consequences have increased considerably in the past years.

Which elements, in your opinion, are necessary for the existence of a healthy media ecology for creative people to think and create within?

There are so many elements. I can only share a few modest ideas. Focusing on the media field itself, I would argue that diversity is a key component, both in stimulating creative work but also in ensuring social relevance, which I think is extremely important for media field in order not to be disconnected from society. So, one of the issues with diversity we have in Europe, but also more and more



globally, is that particular ways of doing media are very hegemonic. The ways that we expect media professionals to behave and the ways that media professionals identify themselves is rigid. And here, I would argue that we need more diverse practices and at diverse identities. These diverse practices and identities still need to be committed to a number of core values. A very simple illustration of this is that we should probably talk about journalisms, in plural, and not journalism. We should acknowledge that there are many different ways of doing journalism, and many different identities possible. I, at least partially, come from community media studies background so I am interested in alternative journalisms. I think these alternative journalisms are precious and really complement the more mainstream versions of journalism, that are, for instance, very much driven by the classic notion of objectivity. But it's not the only model of journalism that qualifies as good journalism. There are many variations.

And to use my new book, *The Discursive Material-Knot: Cyprus in Conflict and Community Media Participation*², as example. The book is based on an ethnographic study of one particular community media organisation in Cyprus, called the Cyprus Community Media Centre (CCMC) and their community radio station, MYCYradio. It's a study of how that radio station functions in a participatory way, how it allows Cypriots and non-Cypriots to express themselves, complementing the Cypriot mainstream media that are very elite-driven. In Cyprus, this is particularly important. Cyprus is a divided island. The two main communities, the Turkish Cypriots and the Greek Cypriots, live in different parts of the island, divided

by a buffer zone which is controlled by the United Nations. The CCMC is literally in that buffer zone. It is giving voice to these two and many other communities on the island. In that sense, it's a wonderful example of what alternative media can do in a context where mainstream media fail. In many cases, mainstream media fail to be participatory and they also fail to contribute to peace-building, become of the nationalist sentiments they communicate.³

So, we have to think about different levels of knowledge, plural, different levels of expertise, plural. This applies to all media, whether it concerns traditional mainstream media, social media or alternative, participatory media. Media contribute in some cases to the destruction of democracy itself, they are serving hyper-nationalistic agendas, organising exclusionary practises, and are sometimes using symbolic violence. Think about the tabloids or the radical, right-wing social media, where apparently, it's normal to create new enemies and argue for their destruction. We need media that are committed, not only to truth, but also to justice, to human rights and to peace. Again, there is a broad range of examples that raise concerns nowadays, and we do have a problem with creating a healthy media environment that is democratic and that allows for others to be different.

What is the relation between democracy, arts and media – how can they cooperate and share knowledge?

I've just come back from the Documenta⁴ arts exhibition which was hosted this year in two cities, Athens and Kassel. Documenta

2 - <http://nicocarpentier.net/dmk/>

3 - Nico Carpentier is currently curating the Respublika! arts festival/exhibition: <http://respublikafest.org/>, in Cyprus

4 - <http://www.documenta14.de/en/>

is very much about political art. One of the key connections between democracy, arts and media is that the latter two can be locations of critical, alternative ways of thinking within society. Arts and media offer that opportunity, which allows them to support democracy. Of course, they are different, they use different repertoires and languages, but they have a similar critical potential. Self-expression is a key component of democracy. Without people speaking out, we would not be able to have democracy. What both art and media can do, at least potentially, is to produce more inclusive discourses. The Documenta exhibition, for instance, strikingly had a lot of voices from the Global South, voices that we rarely hear in the West and that are important to be heard.

We shouldn't forget, though, that arts and media can give voice to people but at the same time they can be radically oppressive; they can restrict ideas; and they can be tools of propaganda. So, they have creative potential but also destructive potential. Our job, as citizens, is to strengthen arts, media and academia and try to counter the destructive potential. That's our task, as citizens, which is becoming more and more important.

What are the recent trends in academic media research based on ECREA mailing list serve you are running?

I started the commlist⁵ before ECREA itself was founded. It's driven by an idea that we need to learn what others are doing in a European context. Europe is defined in a very open way - what is relevant to European scholars. The commlist is driven by the idea that we need to exchange knowledge. In order to exchange ideas, we need to know about the different events, publications, but also job opportunities.

We should be intellectually and physically mobile. We shouldn't be locked in one particular location for our entire lives. We should use the opportunities to travel that the academia provides us with. Having that information circulating, at the European level was very important to me, and it's one of the reasons why I started the commlist. My second point is that we also need to acknowledge that we are members of the Media and Communication Studies field. It is important to identify ourselves as such. One of the things I like about the list is that it shows how active and diverse we are as Media and Communication Studies scholars. We do a lot and we should take pride in ourselves as being part of our field (and discipline).

The commlist also gives an idea about what is changing in our field. The most important and reassuring change is in the increase in job opportunities. A few years ago, the job offers disappeared. And in the past year, we've seen an increase in employment opportunities at different levels. It is extremely good news. It is very important, especially for young scholars, that there are good job offers again.

Looking at content, what we learn from the list is that not so many new large themes come up, but that the existing fields of interest, within the community of media and communication scholars, are strengthening. For instance, journalism studies, political communication, and audience studies have strong positions. Of course, we've seen the rise of social media studies, and we've also seen this field becoming more critical and less celebratory. It's a very good thing that there is much more critical reflection brought into this field now.

5 - <http://commlist.org/>

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REF

ORTS

CREIMA - The Creative Industries and Media Management Course Summer School in Porto in July

By Bruno Miguel Pires

The Creative Industries and Media Management course (CREIMA) is an international summer school supported by CIC.Digital (Centre for Research in Communication, Information and Digital Culture), University of Porto and IMMAA – International Media Management Academic Association.

CREIMA took place in Porto between the 3rd and the 6th of July at University of Porto. It was an opportunity for students, researchers and professors to gather in one place to present and discuss results of completed as well as ongoing research projects, social projects and PhD theses in the fields of media and creative industries.

Several internationally distinguished scholars took part in the event. It fostered networking and debate.

Among the scholars invited to CREIMA were Mónica Herrero, Professor at the School of Communication of the University of Navarra; Ruth Towse, Professor of Economics of Creative Industries at Bournemouth University and Co-Director of the Centre for Intellectual Property Policy & Management; Terry Flew, Professor of Media and Communication (Creative Industries) at Queensland University of Technology; and Eli Noam, Professor of Economics and Finance at the Columbia Business School.

The first two days of CREIMA took place at the ID building of the Faculty of Arts and Humanities (FLUP), University of Porto. The first day started with an opening speech by Professor Paulo Faustino, President of IMMAA and member of CIC.Digital. The first lecture was held by Pedro Almeida, consultant for the Portuguese Press Association. Almeida began his speech by mentioning the European Google Fund for Media Innovation and then moved on to talk about 'a new world that is being built around the digital media' and its impact on democracy. He added that 'to have a good democracy we must have quality information and we must have rigorous investigation'. Pedro Almeida also spoke about the impact of the internet on the media sector: 'Internet and digital business models are growing and shaking the new media sector and define which are the ways that media companies have to generate revenues.'

The morning presentations ended with an open lecture titled "Digitization in the Creative Economy: Social and Economic Developments and Policies I" by Ruth Towse, who summarized key points about the economics of copyright. From the very beginning Towse stressed that 'Creative Industries are industries protected by copyright'. She added that 'conceptualizing the concept is not so important, it's more important what we do in practice.' While

arguing that 'reproduction is an important aspect of the creative industries,' Towse recognized that 'digitization is having a profound effect even on the most traditional arts.' The digitization brought the 'cannibalization' issue. As Ruth Towse explained, 'canibalization' in economic terms poses a question if goods are complementary or are they substitutes.: "Is an online version of a newspaper an alternative to reading or buying the actual newspaper or does it stimulate people to want to do it?"

Another interesting view on the digitization effects is the visibility that artists have. Social networks help companies measure artists' potential success. Since people can upload their creations and get visibility, the 'new songwriters who are signed up by music publishers are getting better deals in their contracts because the risk to the publisher has been quite reduced'.

After a lunch-break, the afternoon session started with Adriana Bassini Edral and her presentation titled "Project Rondon: a tool of creative economy". The Project Rondon which Bassini Edral spoke of, is a Brazilian social project created in 1967 and organized by the Brazilian Defense Ministry. It aims at training early career academic researchers for the sustainable development of underprivileged communities.

After a field trip to RTP, Radio and Television of Portugal, the first day ended with a welcoming dinner.

The second day was opened by one of the guest lecturers, Professor Mónica Herrero, with a presentation titled "Tendencies and Strategies in Digital Media and Production and Creative Projects". Herrero spoke about digital media economics, the different types of goods generated by digital media like immaterial and experiential goods, and disruptive technologies. The disruptive nature of technology opened new business opportunities on the internet, endangering the survival of traditional business. The lecture also mentioned increasing importance of UX and XD (User Experience and Experience Design) for products and services.

A presentation session facilitated by Ruth Towse followed Mónica Herrero's lecture. Summer school participants Nadine Sutmöller and Fred Utsunomiya presented their research papers. Nadine Sutmöller spoke about 'Facebook and the Question of Justice: A Consideration of Big Data Application from the Perspective of Political Philosophy' based on her PhD thesis about big data. Sutmöller said that 'although it



is clear that big data analyses are useful in the sphere of knowledge acquisition or decision making – especially in the field of economic activities – in the meantime these services however have developed an ever-greater force in spheres outside of their technological bubble and finally influenced the coexistence of people as a whole. In turn, Fred Utsunomiya presented his paper called 'Advertising and Digital Marketing in the Creative Industry: An Approach for the Hotel Industry in Brazil'. This study conducted in partnership with the Brazilian Hotel Industry Association of the State of São Paulo, looked at how the hotel industry is using digital marketing and social media as strategy tools to improve their business.

During the afternoon session, two more presentations took place. Óscar Boga's paper was called 'Analysis of daily printed press in the Iberian market: situation and perspectives'. It is based on the study focused both on Portugal and Spain's press markets which aims to understand the future of the press and find out if there are similarities and divergences in how Portuguese and Spanish press business models evolved. Bruno Viana, a PhD student, presented his ongoing thesis project called 'Newsworthy Brazil: journalistic representations of Portuguese online media in 2016'. This project aims to 'investigate which representations/images on Brazil are being propagated by the four periodicals [four Portuguese online newspapers], through its news productions published in its online versions'. Viana focused on the analysis of year 2016, 'the period of the Olympics, the Impeachment of the former President of the Republic, as well as the year of political and economic crisis'.

The second day of the summer school ended with a field trip to the iconic Lello Bookshop, famous for inspiring J. K. Rowling's Harry Potter.

On the third day, the summer school events took place at Vilar Seminar, a 19th century building with a view to the Douro River. The session started with a presentation by Miriam Cardoso titled 'Fashion and media: clothing as a category of analysis for the construction of female image in media'. This study is supported by 'theories on Aesthetics, Art, Communication, Psychoanalysis, Fashion, Genre and Media' to depict the sense and representation of self in the western culture. The morning sessions ended with Ruth Towse's presentation titled "Creative Economy: Social and Economic Developments and Policies II". This second lecture shed some light over measuring employment within the Creative Industries. According to Ruth Towse, this aspect is not yet 'measured absolutely statistically correctly', and more accurate data can result from merging results from ISIC (International Standard Industry Classification) and ISCO (International Standard Classification of Occupations). Copyright was one of the highlights too, with Towse saying that "people talk about copyright as if it's one thing but it's not one thing, it's a bundle of different rights: reproduction, distribution, rental, public performance, communication, adaptation." After the morning sessions, yet another visit took place, this time to CEIIA – Centre of Excellence to the Innovation of Automotive Industry, an innovative center whose works range from mobility to aeronautics, smart cities and creative industries.

The fourth and final day of the summer school took place at the Vairão Campus (part of Porto University), located in the coastal town of Vila do Conde. The first session was held by Terry Flew who spoke about "Digital Media Platforms and their Challenge to Media Policy: A Stakeholder Analysis Perspective". It's a study soon to be published about which Terry Flew said the following 'the role of policy makers



in this framework is to act as facilitators, to bring their own expertise to the deliberations and require capacity to frame dialog and conversation in such a way as to steer it towards outcomes that have a high prospect of achieving stakeholder consensus.'

In the afternoon, two more presentations and a lecture were held. The first presentation, by Eline Livémont, is called "More chances for merit goods in a digitalized and internationalized media landscape? A comparative analysis of documentary production, distribution and policies in Europe". It is a first look at Livémont's ongoing PhD thesis which 'starts off with the conceptualization of documentary as merit good', while arguing that 'documentaries can be categorized as products or services that carry positive externalities for society but which are underprovided on the market because of their low exchange value'. The second paper, also part of an ongoing PhD project, was presented by Marlen Komorowski, titled "The clustering of media in localities: strengthening media clusters in Brussels and beyond". Komorowski's project aims at 'creating the knowledge necessary to understand media clustering phenomenon better', hoping that this 'cluster analysis will not only guide the development of a new

framework but also serve as benchmarks for the strengths and weaknesses of media clusters in Brussels and guide the development of a Media Park in Brussels.'

The closing session of this event was held by Eli Noam who gave a lecture on the financing of media and creative companies. Stating that 'the money side of media' is not as studied as other areas in media, Eli Noam pointed at three issues regarding media finance: 'very high demand for investments, riskiness, and volatility'. While using some film industry examples to explain his insights, Noam said that 'the trick of Hollywood is that they manage to bundle together high risk projects and transform them in relatively low risk portfolios, thereby making it cheaper for investors, less risky for investors to invest in these packages and, therefore, have access to capital at a lower cost'.

After the end of all sessions, a social networking session took place on the backdrop of the Vairão Campus pool. The closing event of CREIMA occurred at the Vilar Seminar, back in Porto, with a dinner which served as a bridge to TOCREA (International Conference of Tourism and Creative Industry Promotion), an event that would take place in Porto during the following days - 7th and 8th of July.

How Culture is Financed in World's Cities: A Comparative Analysis of Public Funding, Private Giving and New Funding Models in 15 Cities from Los Angeles to Shanghai

The world's urban population is on the rise,
so is the need for research
into funding and sustaining of city culture.

By Dinara Tokbaeva

This is a brief review of recent developments in funding culture in world cities. This review is based on findings of the World Cities Culture Finance Report (WCCF), published by BOP Consulting in 2017, which compared and contrasted the financing of culture in 16 global cities. Based on WCCF data, this review for JOCIS, first and foremost, defines city culture and its revenue streams, secondly, provides statistics and figures on the financing of culture, and thirdly, elaborates on how these findings can be used for further research into the economics of culture and urban sustainability.

Funding for culture is unquestionably well-reasoned, but why does it matter how things are going in cities? Two-thirds of the world population will live in cities by 2030 (AP, 2016). Governments all over the globe face increasingly complex challenges brought by rapid urbanisation, ranging from environmental issues to social inequality. Culture is believed to be able to ease some of those tensions and creating striving urban centres as places of collaboration between various social groups. In fact, "many of the great policy issues of our age [...] are [now] being led at a city, rather than national, level" (WCCF, 2017a).

Before one moves on to question how to make city culture more robust in solving some of those tensions, it's important to understand what is a city culture, which kinds of funding are already present, and how do they differ depending on various geographies?

Ways of funding city culture

The WCCF report compares and contrasts financing of city culture in Amsterdam, Brussels, Istanbul, London, Los Angeles, Moscow, New York, Paris, San Francisco, Seoul, Shanghai, Shenzhen, Stockholm, Sydney, Tokyo and Toronto. The WCCF study has shown that world cities have its mix of funding models for culture, and interweaving of various funding streams. The WCCF report discusses the mechanisms through which resources are distributed and invested, including new financial models that are being launched and tested, with a particular emphasis on public versus private funding.

City culture is defined as a unique product of a unique geography and a unique history (WCCF, 2017b, p. 13). City culture is created by for-profit or publicly owned museums,

galleries, theatres, etc., but also smaller not-for-profit independent institutions, charities, start-ups and individuals working in the fields of music, performing arts, entertainment, literature, fashion, animation, games and digital media.

Cultural expenditure is sourced through “earned income, public funding, private sponsorship and charitable donations” (WCCF, 2017b, p. 6). Public funding is divided into indirect funding, direct culture dedicated funding and non-culture dedicated funding. Indirect funding consists in fiscal incentives aimed at encouraging actors beyond the state to invest in culture. Direct culture-dedicated funding consists in expenditures by ministries, culture departments, councils, educational departments depending on who is responsible for culture in a specific state. And non-culture dedicated funding stands for expenditures by state actors that are not directly supporting culture but helping to boost it such as trade, inward investment, tourism, or health departments and ministries.

Private funding is divided into sponsorships and private donations, provided by individuals, businesses, foundations and trusts.

Public funding

Stockholm is the only European city which receives 100% direct public funding for its cultural initiatives. Direct public funding of culture is a specific feature of Chinese cities Shanghai and Shenzhen. It must be noted that, due to such investments, Shenzhen was able to promote itself culturally on a global level, although it's a relatively young city, especially when compared to millennium-old counterparts like Rome. Funding of culture in Paris, Brussels and Amsterdam consists of public expenditures for 93, 92 and 91% respectively, while private giving covers the rest. Toronto and London are not entirely dependent on public funding when it comes to culture. For instance, in case of Toronto, 67% of revenues for culture come from public funds, 33% account

for indirect public funding, and 1% for private giving. In case of London, it's 61% for public funding, 20% for indirect public funding, and 19% for private giving.

Private giving

Philanthropy is particularly influential in North American cities and Tokyo. New York tops the list of world's cities whose culture mostly benefits from private giving (70%). In fact, New York receives more donations to cultural institutions than any other US state. Only 26% of New York's culture revenue comes from direct public sources, and 4% account for indirect public giving. New York's model is replicated in San Francisco (61% for private giving, 35% for public sources, and 4% for indirect public giving) and Los Angeles (45% for private giving, 52% for public sources, and 3% for indirect public giving). Tokyo is ahead of all Asian cities regarding the amount of private giving & sponsorship for culture. Tokyo also gets 54% of its revenues for culture from public sources.

The highlights: What works?

- New York, Sydney, Los Angeles and Paris position culture as their key tourist product. Istanbul and Los Angeles' culture is embedded into city marketing campaigns. This is not the case for other cities yet.
- The US cities benefit from favourable conditions for private giving. The federal government forgoes 33-35 cents in tax revenue for each dollar donated to a not-for-profit organisation (ibid, p. 27). National incentives are significant for Paris and London too, but not on the scale of American cities.
- London and Toronto cultural scene benefits from “culture-specific tax expenditures, such as tax incentives for film and other audio-visual production” (ibid, p. 24)
- A 'portfolio' funding is widespread in the UK, Netherlands and France. It is when national culture departments fund a small number of key cultural institutions. The ad-

vantage of this method is that it allows established institutions to secure long-term funding. However, its disadvantage is that portfolios become static, which may hinder competition and discourage innovation among smaller players. That is the reason why in 2011 Stockholm has embarked on promoting structural change in the cultural sector and included individual projects and organisations into the state funding scheme (ibid, p. 21).

- Shanghai, Shenzhen and Seoul have been successful in providing economic development and business support to the creative industries. For example, fashion and animation are favoured and prioritised in Shenzhen, while games and digital media can benefit from business support in Seoul.

- Paris and Moscow are ahead of the world regarding direct culture-dedicated funds aimed at arts and cultural education. The significance of Paris and Moscow is that it incentivises lower-tier levels of government to make large contributions to culture. As a result, the national government's overall share of expenditure is reduced to 50% (ibid, p. 16).

- While Moscow and, in no small extent, Shanghai manage and fund their in-house cultural institutions, Istanbul outsources administering of cultural venues to a commercial company "Culture Co". The latter is responsible for organising festivals and events and generating revenue from ticket sales.

New funding models

The level of culture-dedicated funding is declining in most of the world cities – this is the case of Amsterdam, London, Sydney, Seoul (ibid, p. 30). The Chinese cities have been gradually moving to a market-oriented cultural sector. Besides, Shenzhen and Moscow hope to benefit from more public-private partnerships. Apart from that, there are compelling experiments with new funding models across the globe. Some of them are quite promising, but they

have only been a minor revenue stream so far. One of them is a new business model for city culture by musicians' cooperative in Amsterdam – they combine artist investment with audience subscription (ibid, p. 29).

Another idea is to soften the impact of rocketing housing prices on artists and culture specialists, which is the case of big cities. San Francisco established a trust which utilises public and private funds for purchasing property for cultural organisations. Moscow is offering some of its state-owned historic buildings in exchange for capital investment in restoration. Paris has recently started offering 66% tax deductions for financing heritage restoration



projects through newly established funds for Paris organisation.

Some cultural organisations are experimenting with financial instruments. Seoul, Stockholm and Sydney work towards providing public sector match funding for the sums raised through crowdfunding campaigns. Sydney is offering tax deductions for individuals participating in crowdfunding city culture. London's The Globe Theatre is the first organisation in the UK to establish its own Social Impact Bond (ibid, p. 29) which makes it more attractive for funders to invest in the theatre. Shanghai has set up a Special Purpose Investment unit, which oversees not only culture but also tourism, design and leisure sectors.

The plan is to make cultural organisations becoming publicly traded.

Further research on city culture and urban sustainability

- There are methodological difficulties of researching city culture. They are related to a risk of duplication of funding streams and lack of precise definitions of funding. It's harder to capture and analyse data due to the increased institutional complexity of funding culture across all markets. For instance, there are at least three significant streams of public funding: the global level (in case of large metropolitan areas), the national level and the local level (such as of municipalities). To avoid a mishmash of budget lines, one needs to de-duplicate quantitative data which comes from many sources.

- The question of the best way to fund city culture remains rhetoric and subject to philosophical debate. State funding views culture as "a common inheritance, linked to individual and collective identity, which needs to be nurtured and sustained" (WCCF, 2017b, p. 8). It is seen as a guarantee that interests of all social groups of the population will be served, yet it might be the most bureaucratic and inefficient in operation. As opposed to government funding, philanthropy is one of the most democratic ways to fund culture as it requires producers of culture to respond to the needs of their audiences and supporters. However, corporate-driven philanthropy is not immune from criticism of being a reproducer of a worldview of a small number of donors (ibid).

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Marketing and Communication of Tourism Organizations on Social Media: A Case Study of Porto and the Northern Region of Portugal

by João Neves

Introduction

This report is based on a case study¹² about the impact of social networks on tourism organizations' marketing and communication in the Northern region of Portugal and especially in the city of Porto. The methodology applied in this study was based on a selection of relevant entities (mostly public) that are responsible for the promotion of tourism in Porto and in the Northern Region of Portugal, which have a good SEO reputation: they appeared on the top positions on the Google search. The selected entities were Turismo do Porto e Norte de Portugal (a public entity of the central administration with a regional focus on the North of Portugal); Visit Porto. (a public web interface of the local administration dedicated to the promotion of the city of Porto); Guimarães Turismo (a public web interface of the local administration dedicated to the promotion of the city of Guimarães); Douro Valley (a public-private partnership dedicated to the promotion of the Trás-os-Montes and Douro regions) and CIM Alto Minho (a public entity of the local administration with an inter-municipal focus).

The Turismo do Porto e Norte de Portugal (TEM) is the main statist institution dedicated to the management and promotion of tourism in the Northern region of Portugal; it was created in 2012, resulting from a reform of the tourism sector, which divided continental Portugal into five main tourism regions. TEM has a tourism promotion strategy aimed at seven major segments: business tourism; city and short breaks; gastronomy and wines; nature tourism; religious tourism; cultural, heritage and landscape tourism and well-being and health tourism. The TEM is present on the web through their institutional website³, that has content in Portuguese, Spanish and English, but also on Facebook, Twitter and YouTube.

Visit Porto. is the web interface of the Municipality of Porto directed exclusively at the promotion of tourism in the city of Porto, which is clearly the main touristic destination of the Northern region of Portugal and the 'gateway' for most of the tourists that visit the region. Its web presence includes a website⁴ and social media profiles on Facebook, Flickr, YouTube and Twitter.

1 - The full version of the case study (coordinated by Professor Paulo Faustino), which served as the basis for this report can be found at: Faustino, Paulo, coord. (2018). Marketing e Comunicação nas Redes Sociais em Organizações do Turismo: o Caso do Porto e Região Norte, Lisbon: Media XXI Publishing.

2 - This report is a part of the ongoing research project ITRACTUR (Initiative of Transfer of Knowledge in the Online Promotion of Tourism) held at the CEPESE – Research Centre for the Study of Population, Economics and Society of the University of Porto under the scientific coordination of Professor Paulo Faustino.

3 - <http://www.portoenorte.pt/>

4 - <http://www.visitporto.travel/Visitar/Paginas/default.aspx>

Guimarães Turismo is the web interface of the municipality of Guimarães, which is both a hinterland tourism destination and a city of great historical importance (linked with the foundation of Portugal), thus it is also representative of cultural and heritage tourism. Its web presence is mostly based on their website⁵ that has content in Portuguese and English, having also a profile on Facebook and Flickr.

The Douro Valley project focuses on the touristic promotion of the Douro wine-growing region (wine tourism), originating from a partnership between seven public and private entities. Its web presence is mainly assured by the project's website⁶, but also through social media: Facebook, Twitter and YouTube.

The Inter-Municipal Community of Alto Minho, founded in 2008, is responsible for the main resource for web communication related to the Alto Minho region⁷, having also a website linked to it, titled Alto Minho⁸, that is aimed at the promotion of local tourism; along with profiles on Facebook and YouTube.

Methodology

The main goal of this case study was to characterize the tourism communication of the above mentioned entities, focusing on their websites and their social media profiles on Facebook, Twitter, YouTube and Flickr, as well as to 'diagnose' the quality and efficiency of their communicative performance in promoting tourism. Methodologically, this study applied both a qualitative method of direct observation (simple description and qualitative interpretation of the websites and

social media profiles) and a quantitative one: a content analysis of the entities' publications in the social networks, considering verbal and visual messages.

In order to measure the success of the entities' social media communication strategies, the following analytical criteria were adopted: number of followers (which refers to the number of likes or followers of the entities' social media profiles); number of visualizations (which refers to the number of views of the entities' videos hosted on YouTube); likes (which refers to the number of likes in the entities' social media profiles); dislikes (which refers to the number of 'dislikes' in the entities' social media profiles); sharing (which refers to the number of times the entities' posts were shared on social media); positive comments; negative comments and other comments.

The sample of messages used to study the tourism communication performance of the entities in the social networks were the last 100 messages published before the 28th of August 2016 on Facebook, YouTube, Twitter and Flickr. The thematic categories used to classify the messages published by the entities were, among others: towns and regions in general; sun, sea and beach; nature, rurality, parks, gardens, nature trails, cycle lanes; gastronomy and oenology; festivals and spectacles; popular culture, folklore and traditions; religion/religious tourism; business opportunities/business tourism; museums, galleries and cultural exhibits; commercial and technological exhibits and fairs; contests; shopping, markets and stores; technology; nautical sports; winter sports; golf; running; hunting and fishing; equestrian sports; health and well-being.

5 - <http://www.guimaraesturismo.com/>

6 - <http://www.dourovalley.eu/>

7 - <http://www.cim-altominho.pt/>

8 - <http://www.altominho.pt>

Empirical findings:

1 - Turismo do Porto e Norte de Portugal (TEM)

The website of Turismo do Porto e Norte de Portugal (TEM) has an adequate and clear design. Among other features, the site has a header that integrates the name of the entity and a menu to access its subpages, divided according to six tourist segments: business tourism; city & short breaks; gastronomy; nature tourism; religious tourism; cultural and landscape touring; health and well-being. A lateral menu, on the first column of the site, grants access to institutional subpages (presentation, interactive tourism stores, e-books and institutional links), which also includes a gallery of photos and videos, a schedule of events and a link to print maps of Porto and the North of Portugal. This menu also allows the user to access information on what to visit, where to stay and where to eat.

A global assessment of TEM's website led to the following positive conclusions: it is easy to read and navigate, it facilitates interactivity, is well structured and it's also easy to find information there; the negative aspects of this site are the excessive presence of institutional information instead of information related to tourism (sometimes both are mixed), the overuse of the English language (the site is clearly aimed at a sophisticated and well-read elite that understands the meaning of phrases such as 'city & short breaks' and not at the 'masses') and of galleries of images that often are irrelevant to inform the tourists. Furthermore, the website has a lot of outdated information, operating almost as a random repository of tourist and institutional content (also in pdf format). 62% of the 522 messages (379 of which are related to the promotion of tourism)

published on this site consisted of small pieces of text and photography, mainly produced by the TEM's team. The majority of these messages was destined to the promotion of gastronomy and oenology (21% of the total); hospitality industry and event centres (17%) and guides for things to do/what to visit/organized tours (17%).

TEM has been on Facebook since 2009, it had as of August 29, 2016, 130 930 likes, the users classified the profile with 4.5 out of 5 stars and the average number of posts per day were 3.2. The majority of the posts concerned information about events, destinations and "things to do" that may interest the tourists, amounting to 89% of the publications; they were all written in Portuguese and thus directed at internal tourism.

2 - Visit Porto.

The website Visit Porto. is easy-to-read due to its white background and a design structure that has proved its worth; it is available in Portuguese, English and Spanish. Its heading consists of a menu with the following subpages: "Visiting", "Living" (with information for those who wish to spend a time in Porto), "Business" (information for those who travel on business and are looking for new business opportunities), "What's On" and "More Porto" (containing information about the history, traditions, culture and other aspects of the city of Porto). In general, the information is very accurate, well-organized, allowing the user to communicate and ask questions in real time with technicians of Visit Porto.; most of the information available in various forms on this website (text, image, audio-visual or a combination of these) is quite useful for the tourists that wish to visit Porto. The only major flaw detected on this

website was really the enormous amount of information (with 2244 messages identified) and hyperlinks available.

A little over half (51%) of the messages identified consist exclusively of text, all of which are found on the 227 subpages dedicated to the news archive. The main pages and subpages, including the homepage, have many messages consisting of text and photos (42% of the total); almost half of the messages (49%) concerned five main topics: the city's monuments (16%), local museums and cultural exhibits (9%), gastronomy/oenology (9%), schedule of events (8%) and other categories and routes (7%).

The Facebook page of Visit Porto had, as of August 29, 2016, 36 247 likes and the average number of posts per day was 0,75. Most messages published on this page were aimed at highlighting and promoting the city (18%) as a touristic destination, but also as a place to live, study and work; followed by 11% of messages that concern the parks and gardens of the city, 10% dedicated to its monuments and heritage, another 10% to street events and yet another 10% related to the festivals and spectacles that take place in Porto, gastronomy and oenology amounted to 7% of the posts; other categories had a smaller share of the publications, with the exception of "Other sports" (12%), most likely due to the then ongoing European football championship.

3 - Guimarães Turismo

This website is one of the few exclusively dedicated to the promotion of a city as a tourist destination (Guimarães) in the Northern region of Portugal and it has valuable information for the tourists that wish to visit this historical city. In the white

background, the main elements of the site are displayed in six horizontal areas, having a *fake* heading that mixes several elements. On its left side, there is a menu that grants access to a handful of options, including a traveller's section, a map with free municipal Wi-Fi, a gallery of photos and videos and a link to their Facebook page. The first horizontal stripe connects with five vertical menus that contain relevant information for the tourists: "Get acquainted" (submenus: how to arrive, gallery, downloads and useful information); "Stay" (submenus: hospitality industry, inn, rural tourism and local lodging); "Visit" (submenus: museums, centre, outside the centre and parks and gardens); "Go" (submenus: routes and trails, fun, sports and festivities and visits) and "Eat" (submenus: restaurants, recipe collection, gastronomic menu and taste Guimarães). At the time of this analysis, the content of this website was divided into the following topics: hospitality industry (21% of all messages), museums and exhibits (13%), monuments (12%), the gastronomy and oenology offer (12%) and the city and the region in general (6%). Therefore, the content is aimed at the occasional tourist that briefly visits the city, including its museums and monuments. The Facebook page of Guimarães Turismo had a total of 4778 likes as of August 29, 2016 and the average number of posts per day was 0.28. Most of the publications concerned spectacles (59% of them) and festivities/events (12%) that take place in the city; followed by messages which highlighted various features of Guimarães itself (11%).

4 - Douro Valley

The web portal Douro Valley is the main interface of communication on a project that gathers several entities with the goal of promoting the touristic sub-region of

the Douro Valley. This site has a white background, its contents and hyperlinks are displayed in other colours overlapping it, facilitating the readability. Its design is built on six horizontal stripes and in a variable number of asymmetrical vertical columns, being framed with a photo of the region. The second horizontal stripe includes a slideshow and the main menu of hyperlinks, which do not differ from the other examples found in this study: "what to see", "what to do", "where to tour", "where to stay" and "where to eat". The third horizontal stripe has, among other features, hyperlinks to contents such as landscape, culture and heritage, wine and wine tourism, lodging and gastronomy and entertainment and leisure. A large number of messages (5286) were identified on this website during the period of analysis, mostly focused on information about the region, gastronomy, nature, heritage and the hospitality industry.

The Douro Valley's Facebook page had a total of 15 147 likes as of October 12, 2016 and the average number of posts per day was 0.4. Most posts focused on finding reasons to attract visitors to the Douro (the proposals for routes amount to 28% of them); regarding its communication, the Douro is presented as a region filled with beautiful landscapes, a welcoming people and world class wines and gastronomy.

5 - The Inter-Municipal Community of Alto Minho (CIM Alto Minho)

The website of the Inter-Municipal Community of Alto Minho is directed at tourists and travellers, but also at current or potential residents of the Minho region. Its design is simple, with a white background and three horizontal stripes, including a heading and footer, along with a clean central stripe, where it is presented in two asymmetrical columns, the links to the

subpages of content, such as "Alto Minho to Live in", "Alto Minho to Visit" and "Alto Minho to Invest". A key flaw found on this website lies on the fact that when the option for the content in English is clicked, the content of the site vanishes and thus the site is only available in Portuguese. The site had only 197 individualized messages, largely consisting only of text, focused on the region in general (amounting to 36% of all messages) and particularly on the infrastructures that serve both the tourists and the local citizens. Other messages concern the rich natural and cultural heritage of the region, proposing activities to the tourists (8% of them dedicated to water sports) and 10% are oriented to business opportunities and business tourism.

The Facebook page of CIM Alto Minho had 5535 likes as of November 8, 2016 and the average number of posts per day was 0.2. The content of the page is essentially of a political-economic nature, along with reminders about the initiatives of the municipalities that are a part of this Inter-Municipal Community, thus it really isn't aimed at tourism communication.

Conclusion

This report aimed at summarizing an important and innovative study (especially in the Portuguese context) about tourism communication on social media in an ever growing international destination: Porto and the Northern Region of Portugal. In a time marked by the overwhelming cultural, social and political importance of social networks, their study becomes of a paramount importance. The recent economic rise of the tourism sector in Portugal grants further relevance to this study, which intended to contribute to the analysis of the new dynamics in promoting tourism on social media and institutional websites.



Alto Minho
www.altominho.pt



Guimarães
www.guimaraesturismo.com



Porto
www.visitporto.travel

www.portoenorte.pt



Douro Valley
www.dourovalley.eu



TOCREA - The Tourism and Creative Industries Academic Association: First Edition (Porto, July)

by Diogo Resende

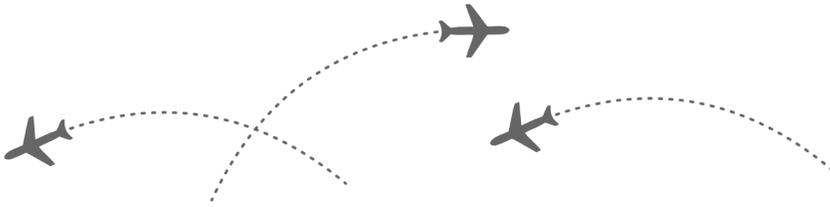
The Faculty of Arts and Humanities of the University of Porto was the host of the first edition of the International Conference of Tourism and Creative Industry (TOCREA), which occurred on the 7th and 8th of July 2017, organized within the scope of the ITRACOTUR (Initiative of Knowledge Transfer and Communication in Tourism) project.

The conference was organised by CEPESE (Research Centre for the Study of Population, Economics and Society) and with the collaboration of University of Porto, IMMAA (International Media Management Academic Association), CIC.Digital (Centre for Research in Communication, Information and Digital Culture), APIMPRESA (Portuguese Press Association), EATSA (Euro-Asia Tourism Studies Association), APTUR (Portuguese Tourismology Association), COOPMAR (Transoceanic Cooperation), Banco Popular

and CYTED (Ibero-American Program of Science and Technology for Development). TOCREA gave the opportunity for various scholars and tourism industry professionals and experts to discuss and present their researches related to the synergism that can be explored between the tourism and the creative industries, such as entrepreneurship and project management, marketing and advertisement, material and immaterial heritage and the use of digital products on touristic destinations.

The first day started with an opening ceremony with Fernanda Ribeiro, dean of the Arts and Humanity Faculty, and Paulo Faustino, president of IMMAA and coordinator of ITRACOTUR, welcoming everyone to the first edition of TOCREA and discussing the main goals behind the creation of this conference.





The first keynote speaker was Dimitris Buhalis, professor from Bournemouth University, with a presentation titled “Best Practices in Social Media and Marketing Communication in Cultural Tourism”. The use of social media, in what Dimitris calls “the booking stage”, allows users to communicate between them and share experiences, to better establish their goals and travelling destination. This sharing of information, referred as “inside experience”, allows travel industries to better approach the location to a tourist and establish more of an user-based approach instead of commercial.

After this presentation, Eli Noam, director of CITI at Columbia University, talked about “The Impact of the Internet on Travel and Creative Industries”, where he tried to answer the question “why do people travel” in today’s age, where technology has evolved to the realms of virtual reality, which is characterized by the immersive and interactive experience, and the effects that this reality will have on the travel industry.

After a brief break, Terry Flew, from the Creative Industries Faculty of Queensland, was invited to talk about a case study, titled “The Creative Industry, Tourism, Cultural Heritage and Qualified Jobs”, in which he showed how Australia

approached tourism’s new challenges and created new favourable conditions for tourists (international and domestic). The main duality presented in this lecture was the traditional versus modern era, and how cultural heritage comes into play, for example, when one of the main attractions of Australia is the aborigines. One of the conditions he also mentioned was the “Glastonbury effect”, where a festival becomes bigger than the location, and this creates a shock between the “real experience”, while being there, and the “shared experience”, through social media.

The last keynote speaker invited was Nadine Strossen, professor from New York Law School and former President of American Civil Liberties Union, who did a lecture on “Travel and Human Rights”, where she expanded historically on the idea of travel bans and how it affects the industry. From 9/11 to the most recent President Donald Trump’s travel ban, the main idea was that “people didn’t feel safe coming to the US and then they didn’t feel welcome coming to the US, and historically, travellers have avoided destinations where they believe they will face a hassle”, such as security and bureaucratic issues.

After Nadine Strossen’s presentation, there was a roundtable discussion on the theme of “Digital Marketing of Touristic

Brands of Porto and North Region”, with Isabel Castro, Carla Vaz, Patrícia Soares da Costa, and moderated by Ricardo Almeida and Teresa Dieguez. Afterwards, there was a special session with Francisco Dias, Francisco Belda, Francisco Paniagua, Terry Flew and Eli Noam about “Online Tourism Marketing and Portugal Perception in International Markets”.

The day ended with two sessions dedicated to the presentations of submitted papers. In the first session, “Public Policies, heritage management and cultural tourism promotion in the Ibero-American space”, the main themes were heritage policies and revitalizations of these spaces and its

advertising and digital communication”, in which digital and online marketing and entrepreneurs brought a new life to the tourism industry and a new relationship between the destination country and the tourist.

The afternoon sessions were on the theme of “Tourism and Creative Economy”, about the impact of the creative industries in tourism, and “Education, training and research methodologies”, in the sense of the emerging changes to the scientific knowledge of Tourism and how it affects the academic courses of the area. The conference ended with a closing ceremony, hosted by Fernando Sousa, president of



implications for tourism, while the second one was dedicated to “Creativity and Branding in Tourism”, with the discussion of the consequences and vantages of new technology and branding in the tourism industry.

The second day was dedicated to guest speakers discussing their submitted papers. During the morning, the themes discussed were “Digital media, social media and creative content production”, about the use of travel apps and websites to establish a local branding online, and “Marketing,

CEPESE, Manuel Teixeira, researcher of CEPESE, and Paulo Faustino.

The success of the first edition, with about 100 participants from all the continents, gathered high interest and, in the sense of maintaining and invigorate the new founded international network, the second edition of TOCREA, now named TOCRIA (Tourism and Creative Industries Academic Association), will be held at Nova School of Social Sciences and Humanities, on July 1, 2 and 3, 2018.

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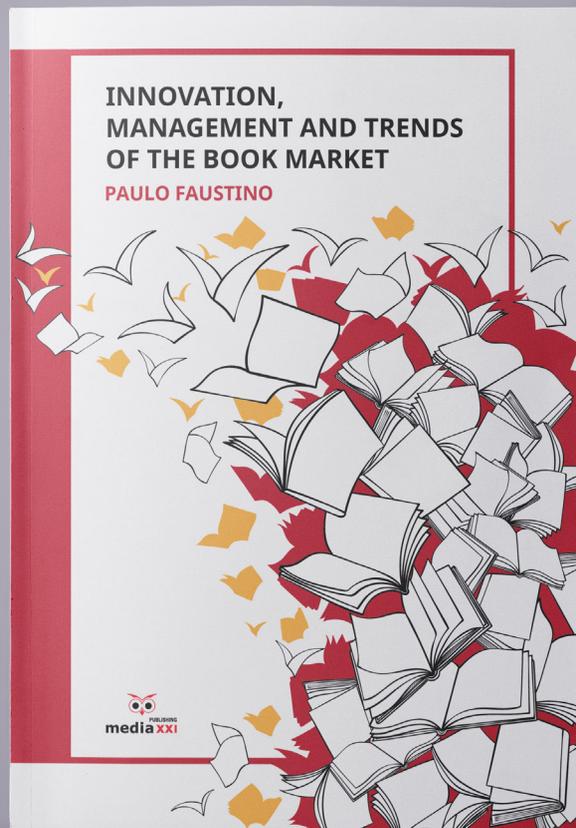
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TEWS

Innovation, Management and Trends of the Book Market

by Paulo Faustino



Review by Fulvia Santovito

The introduction of electronic books and digital libraries, the diffusion of technologies such as electronic paper and ink and the popularity of reading devices such as Amazon's Kindle have changed our reading habits and the book market itself. The publishing world is starting to situate itself within the revolutionary conditions of doing business. The magnitude and impact of this situation is comparable to the invention of the press, and the professionals weren't ready for this revolution. **Innovation, Management and Trends of the Book Market** tries to answer a number of questions the new reality poses to the industry: Where's the book market heading? What is the most significant threat? Do new technologies represent a danger to the culture of reading or an opportunity (or both)? What competencies do we need to continue writing, publishing, and especially reading?

This book addresses those issues and considers what needs to be done for the book market to survive and modernise itself. It is a guide on the economy of publishing and the dynamics in the media; management, organization and human capital; improvement on communication, using the case study of Harry Potter; and the importance of distributors and sellers in this new era. Finally, it reflects on the new challenges to be faced and how new technologies can be used in favor of the publishing world, which strategies must be undertaken to strengthen the market.

One specific feature that emerges from this volume is that it effectively destroys a large number of myths regarding the technological innovation. Pragmatism and common sense shape Paulo Faustino's reflections - a quality rarely seen in the current debate concerning the 'print versus digital' debate - which avoids the extremes of Luddism or digital fundamentalism.

Because Paulo Faustino presents various perspectives, the reader will feel more guided in this world rather than forced into one way of thinking. The narrative is supported by practical cases, making Faustino's writing more effective.

This is a timely and compelling read for practitioners, academia and broader audiences, and will soon be published both in Portuguese, by Media XXI, and in English, by Cambridge Scholars Publishing.

Media and Participation

by Nico Carpentier



Review by Mónica Rodrigues

In **Media and Participation**, work divided in two parts, Nico Carpentier discusses participation as a structurally unstable concept and as an object of ideological debate between two kinds of participation: the minimalist and the maximalist.

In the first part, Carpentier uses a set of theoretical reflections to discuss the concept of participation and its role in the media in five different fields (democracy, art and museums, development, spatial planning and communication). Through them he presents the various forms of articulation of participation and shows the common citizen's need to participate, despite the structuring and limitations to which he is subject.

In the second part, the author demonstrates the applicability of these theories with several case studies that attest to the different forms of participation adopted by society, using five keywords: the **power** operations exercised by media professionals on television are exposed in the talk show *Jan Publiek* and in *Barometer*; the question of **identity** and subject positions in the media sphere is debated also resorting to *Jan Publiek* and the reality show *Temptation Island*; **organization** is evidenced in the *Video Nation* show and in *Radio Swap*; the influence of **technology** on citizen participation is exemplified in the world's first interactive film, *Kinoautomat*; and the importance of **quality** as a discursive tool is illustrated again with *Barometer* and the social network *16plus*.

Media and Participation constitutes an exhaustive and interdisciplinary analysis of the participation of society in the media. It offers balanced doses of theory and practice and aims to stimulate the debate and make people aware that participation is not always as genuine as it appears as it undergoes media manipulation for the sole purpose of entertainment. Carpentier concludes that "...the right to participate should [not] be transformed into an obligation to participate. Participation must remain an invitation – permanently available and inserted in the relations of power balance – for those who want their voices heard."

Media XXI has published the Portuguese version, *Media e Participação*, available in print and digital, on Amazon's website and at www.mediaxxi.com.

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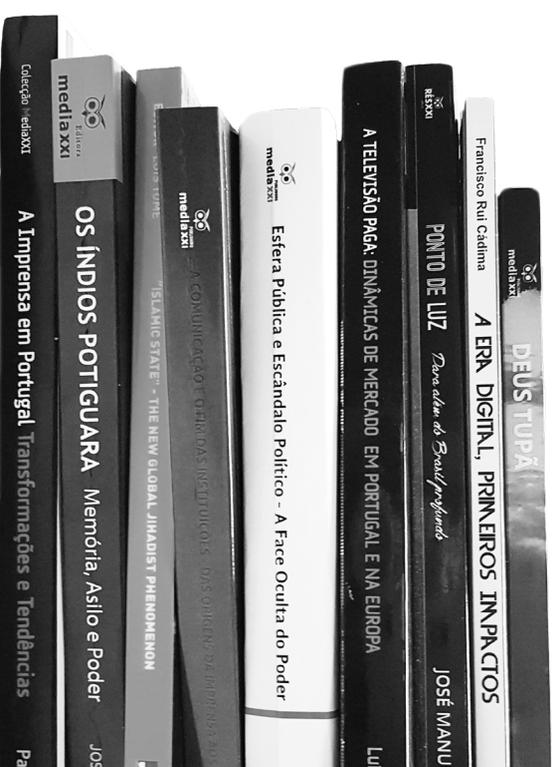
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SEPTEMBER 13TH to 15TH

For more information please visit: <http://www.immaa.org>



IMMAA (International Media Management Academic Association) is a consortium of researchers, international professors, attendees and affiliates, and academic institutions all connected around the subject of Media Management, Economics and Creative Industries.

The main goal of IMMAA network is to develop an international research on Media Management, Economics and Creative Industries towards students and professionals placed in this field of interest, moreover to organize conferences, workshops and to disseminate scientific publications on the subject.

IMMAA Conference

While the range of topics addressed at the IMMAA's 2018 Annual Conference in Stuttgart (Germany) may be as broad as the issues that must be addressed by managers and policy makers in media markets, the 2018 conference will focus especially on Strategic Media Management and Media Business Models. The conference will also organize a special track on Media Management and eSports.

Papers with relevance for management research, practice and teaching are welcome. In addition to the specific conference focus and the special track, paper proposals that address more general issues with regard to the management of the media and the teaching of media management are welcome.

Critical dates

May 15, 2018 – Deadline for submitting abstracts and panel proposals June 15, 2018 – Notification of abstract or panel proposal acceptance

July 15, 2018 – Deadline for second stage abstract submission for late movers (abstract acceptance depending on available places within the conference schedule/sessions)

July 15, 2018 – Deadline for reduced fee early-bird registrations August 15, 2018 – Final registration deadline

September 13, 14 and 15, 2018 – IMMAA CONFERENCE

September
13 to 15th, 2018,
in Stuttgart



IMMAA

INTERNATIONAL MEDIA MANAGEMENT
ACADEMIC ASSOCIATION



For more information please visit:
<http://cicdigitalporto.letras.up.pt/>
or <http://cicdigitalpolo.fcsh.unl.pt>

The CENTER FOR RESEARCH IN COMMUNICATION, INFORMATION AND DIGITAL CULTURE (CIC·DIGITAL) is an inter-university and multi-located research unit devoted to research in Communication and Information Sciences.

It brings together four previous R&D units accredited by the Foundation for Science and Technology (CIMJ and CECL/FCSH, CETAC.MEDIA/FLUP+UA, CICANT/ULHT) and it is organized into four poles hosted in four of the most prestigious Portuguese universities: Faculty of Social and Human Sciences of the Nova University of Lisbon; Faculty of Arts, University of Porto; Aveiro University; Lusófona University of Humanities and Technologies.

The CIC.Digital corresponds to a specific and fundamental redesign of communication sciences,

requiring the gathering of knowledge and synergies between the communication sciences and the sciences and technologies of information and communication, which became their infrastructure and one of the meta-languages or the prevailing conditions of knowledge.

The consistency of CIC.Digital project is reinforced by the transversality assumed by media studies, weaving in a very significant way the theoretical and applied working program of the various research groups, under 4ICOM – a convergent agenda of transversal approaches, crossing the main axes between the different thematic lines and groups of research.