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THE DYNAMICS OF CULTURAL PRODUCTION IN IRELAND: ECONOMIC STRATEGY, DIGITAL TECHNOLOGY AND PUBLIC POLICY MAKING

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Abstract

The last ten years has seen Ireland, now dubbed the 'Celtic tiger' of Europe, achieve an economic about-turn. A key element of this growth has been new technology. Irish policy makers have focused increasingly on a growth strategy led by the information and communications technologies (ICTs) as a means to leapfrog historic and geographic limitations of the earlier industrial revolution and 'jump-start' Irish economic growth. Taking advantage of rapid social structural changes, relatively high public investment/endorsement of education and advanced skills, and a 'natural' reservoir of creativity, that strategy has sought to market Ireland as an 'information gateway', an English-speaking beachhead between the USA and Europe, with an emphasis on information distribution and cultural content products. This paper outlines policy-making focused on the role of cultural production/industries as an 'integral component of the increasingly global network of inter-connected leisure and entertainment industries' in the capital (re)generation of Ireland. Part i looks at the various steps taken by policy-makers to both recognise and then target and develop arts and cultural activity as an economic sector. Part ii goes behind the hyperbole asks two questions: do the cultural industries exist as an identifiable cluster, and can national economic/capital (re)generation be built around cultural production?

THE DYNAMICS OF CULTURAL PRODUCTION IN IRELAND: ECONOMIC STRATEGY, DIGITAL TECHNOLOGY AND PUBLIC POLICY MAKING[1]

Ellen Hazelkorn

Economic Significance of Cultural Production

Sharon Zukin's statement that 'culture is more and more the business of cities – the basis of their tourist attractions and their unique, competitive edge' (1995, p2) is today an acknowledged albeit limited truism. As part of the widening debate on the identification and definition of the cultural industries, this paper argues that the real significance of cultural goods and services extends far beyond the pleasurable qualities of the visual and performing arts, beyond the city-marketing strategies of cultural tourism and consumerism built around museums, theatres and theme parks. Across the globe, there has been a growing realization that cultural products are important not because people are spending more on leisure products and services but because of the profound link between culture and new information and communication technologies (ICTs). This view is based not simply on the range of platforms and distribution outlets but on the competitive push towards ubiquitous global communication proffered by technological convergence, telecommunications and the Internet. Digital technology has provided the mechanism by which the productive base of an economy can arguably be exponentially expanded by transforming 'traditional arts' (e.g. visual art, crafts, theatre, music, museums) into commodities of the 'cultural/media industry' (e.g. broadcasting, film, recording, online publishing and new media products, e.g. games).

The rapid growth in distribution networks/formats require a greater and greater amount of content at higher quality but lower cost while conversely content producers need distribution channels. Importantly the demarcation between content providers and distributors of the 'means to view and interact with the content' (Technology Foresight Ireland, 1999) is becoming blurred; the entertainment and information industries are converging to forge global empires. A key element in this process is creativity; thus there is now an explicit bridge between the arts, commerce and production – a link, by which arts/cultural activity is now recognized as having the ability to make a significant contribution to employment, economic growth and capital regeneration. In the 21st century,

> [I]ndustries of the imagination, content, knowledge, innovation & creation are clearly the industries of the future (Renard, 1999).
>
> Throughout the world there is a growing demand for cultural goods and services…It is incumbent…in partnership with industry, …to promote…the creative industries (UK government, 1999).

Thus, the arts and cultural industries have been drawn into the heart of the global economic strategy debate on the basis of their productive value not aesthetic pleasure.

The last ten years has seen Ireland, now dubbed the 'Celtic tiger' of Europe, achieve an economic about-turn. In place of references to Ireland as a peripheral late-developing society, with associated difficulties, writers today focus almost exclusively on optimistic economic forecasts. A key element of this turn-about has been new technology. Irish policy makers have focused increasingly on a growth strategy led by the information and communications technologies (ICTs) as a means to leapfrog historic and geographic limitations of the earlier industrial revolution and jump-start Irish economic growth.

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[1] I am grateful for comments on this paper from Colm Murphy, who is undertaking a PhD at DIT on 'Public policy making in Ireland: the case of the indigenous multimedia industry', Mary P. Corcoran and Brian O'Neill. It goes without saying that all errors and mistakes are my own.

Taking advantage of rapid social structural changes, relatively high public investment and endorsement of education and advanced skills, and a 'natural' reservoir of creativity, that strategy has sought to market Ireland as an 'information gateway', an English-speaking beachhead between the USA and Europe, with an emphasis on information distribution and cultural content products. The government's commitment to carving out a niche for Ireland in the digital world as a provider/creator of cultural content is personified by the following extract from the report of the National Software Directorate, *Ireland: the digital age, the Internet*:

> In many ways, Ireland is ideally situated to benefit greatly from the opportunities being offered by the Digital Age and the Internet. Ireland has a Diaspora of some 70 million in every corner of the world and the Internet is a perfect technology with which to tap that huge potential market. For example, culture will be a primary product in the new millennium and Ireland has this in abundance.
>
> Ireland has a plentiful supply of music, literature and a growing reputation for film/video production, not to mention excellent skills in the vital software area. These are the 'raw materials' of multimedia. However, these raw materials, unless they are properly exploited and turned into finished product, will be of little real benefit, in the sense that multimedia is about the synergy of these skills (Enterprise Ireland, 1997).

This paper proposes to outline growing policy-making attention being focused on the role of cultural production/industries as an 'integral component of the increasingly global network of inter-connected leisure and entertainment industries' in the capital (re)generation of Ireland (Negus, 1992, p1). Part i looks at the various steps taken by policy-makers to both recognise and then target and develop arts and cultural activity as an economic sector. Part ii examines the opportunities presented by cultural 'high technology' industries to enlarge the room for manoeuvre for hitherto peripheral nation states, e.g. Ireland. The paper goes behind the hyperbole asks two questions: do the cultural industries exist as an identifiable cluster, and can national economic/capital (re)generation be built around cultural production?

i) The Irish State and cultural policy-making

Traditionally, much has been written about Ireland as a peripheral late-developing society, with associated difficulties of little indigenous manufacturing, virtually no commercial exploitation of national resources, small-scale and inefficient agriculture, poor dispersal of resources, a weak infrastructure, persistent unemployment and excessively high levels of emigration (Hazelkorn, 1992). Emerging from centuries of 'colonial' rule, the noticeable absence of an entrepreneurial bourgeoisie Ireland was often proffered as an explanation for such weak or late industrialisation. In the absence of a class with its inevitable sponsorship of key infrastructural and industrial projects, the state, since independence in 1922, filled the vacuum, promoting, regulating, deregulating and, arguably, re-regulating sections of the economy. Because state involvement has been for pragmatic not ideological reasons, as for example elsewhere in Europe where social-democratic prerogatives have been influential, Irish policy-makers have been quick to 'de-nationalise' whenever a suitable commercial, or controversially, a personal/political opportunity arose. Ultimately the objective has been to kick-start an indigenous capitalist economy.

Beginning with electricity in 1929, Irish economic growth has been heavily engineered by the state, which has also been the major provider of electric, gas and turf power, rail, air, sea and road communications, telecommunications, broadcasting, sugar beet production, fisheries, etc. Not satisfied with stimulating infrastructural development, the state has also played a formidable role in cultivating, preserving and promoting a 'way of life'. Thus the Land Commission, throughout the 1930s and 1940s, sought to implement the constitution's vision of a country populated by small family farms[2], while the Industrial Development Agency (IDA) became its nemesis in the 1960s and beyond. The latter policy emphasized the liberalisation of trade, incentives to foreign capital, and capital-intensive export-oriented production – that strategy, built around a wide range of state-sponsored marketing, training,

[2] *Bunreacht na hÉireann* (*Constitution of Ireland*), 1932, Article 45, 2, v.

development and research organisations, has remained at the heart of industrial policy ever-since.[3] Within two decades, Ireland was transformed from a traditional agricultural society with a class structure based on family property to an urban industrial society with a class structure based on skill and educational opportunity. The road to economic growth has not, however, been steady, and the economic boom of the 1960s ran into difficulties. By the early 1980s, various reports questioned a government strategy based largely on 'import innovation' (Telesis, 1982; Wickham, 1993) or 'economic development off-the-peg' (O'Toole, 1993).

Arts and cultural policy has had a similar history. Aside from Ireland's renowned contribution to world literature, the visual arts, music, architecture, publishing and design have remained, until very recently, limited enterprises, on the 'outer rim of Europe, outside most of the great movements … follow[ing] its own rules, or rather lack of them…'(Fallon, 1998, p237). The state viewed the arts with a mixture of suspicion, caution and paternalism, and reacted with a bevy of legislative and constitutional restrictions which sought to 'stem the flood-tide of commercial modernism'; economic protectionism, justifiable in the context of the 1930s and WW2, arguably gave credence to the sense of 'cultural isolationism' and 'intellectual malaise', all the more credible given the country's island status. While there were some positive developments, including the creation of a national symphony orchestra and the Irish Folklore Commission, most of the landmarks were the result of private endeavours. Not surprisingly,

> when the Irish government first paid official attention to this area [in the 1950s], the acts which they passed were 'Arts Acts' and not 'Cultural Acts'. The focus was narrow... (Quinn, 1998, p76)

There was, however, a certain irony to this approach. As Irish artistic endeavours were limited, the vacuum was quickly filled by

> Anglo-American domination of popular taste … exercised through the cinema [almost entirely British and American], …[which] provided the imaginative escape-hatch or fantasy land of the poor, the favourite relaxation…of the middle and lower-middle classes…When all this is taken into account, the accepted picture of a cultural chauvinistic statelet shutting its doors (and windows) on international culture turns out, in several respects, to be almost the reverse of the truth. Instead, Ireland, badly in need of a (sic) developing national culture of her own, was hopelessly outgunned by external forces – mainly commercial – over which her leaders had little control, and few institutions or public bodies knew how to combat…effectively (Fallon, 1998, p11; see Byrne, 1997).

Irish broadcasting began in 1926 with radio. Modelled on Reith's[4] formula for public service broadcasting as represented by the BBC, 2RN (later Radio Éireann) was erected under the watchful eye of the Irish civil service as a vehicle for promoting national sovereignty and cultural/religious identity. Most programmes were home-produced and any material that affronted Catholic principles was self-censored. Both this conservative interpretation of 'public service' and an appreciation of the wider economic realities encouraged early exclusion of commercial interests. These factors encouraged government to take a formidable role shaping and directing broadcasting, both radio and later, in 1960, television. One of its first actions was to introduce the Censorship of Film Act in 1924, followed shortly by the Censorship of Publications Act in 1929. In the 1930s, film production was identified as another possible industry capable of redressing problems of unemployment. Policy, however, focused on encouraging foreign capital, mostly American, to invest in film in Ireland, a strategy augmented in 1958 by the establishment by the state of Ardmore Studios. Since then, there have been an erratic succession of policies, alternating between state and (now) private ownership, each seeking to unblock structural or financial restrictions but 'largely ignoring the cultural value of film in favour of an industrial policy which sought to develop film as no more than a branch of manufacturing' (Rockett, 1994, p126, 128).

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[3] By 1979, there were twenty-five state-sponsored organisations responsible for stimulating Irish enterprise.

[4] John Reith, first Director-General of the BBC, was a member of the initial interview board.

Engineering indigenous growth

By the 1960s it became clear that if government wished to successfully engineer an indigenous manufacturing sector, then in addition to grasping the policy of export-led growth and EU entry, modernism and consumerism would also need to be embraced. A sharp chasm opened in Irish society between what people saw in the cinema, or increasingly after the 1970s through their travels, and what could be purchased in the shops – a functional, colour-less and limited range of furniture, fashion and home items. In arguably one of the first endeavours in Ireland to marry design with commerce, the Kilkenny Design Workshops were established in the 1960s to bring together and foster contemporary industrial and product design. Initially focused on furniture, craft and jewellery, other ventures, especially fashion, have followed. Similar efforts were undertaken to transform the visual appearance of Irish towns and villages; books of ready-designed cottages and houses were published by the government and sold widely.[5]

In the Information Age, the state's determination to establish Ireland as a first-world economy has acquired a greater intensity. Beginning in the mid-1980s, Irish policy makers began to strategically target, first, the electronics industry and, then, the information and communications technologies with a particular emphasis on information distribution and cultural content products, as a means for jump-starting Irish economic growth. Using very formalistic and statist mechanisms, the strategy entailed taking advantage of rapid social structural changes to link high education/skill and creativity with digital technologies to leap-frog historic and geographic limitations of the earlier industrial revolution. Simultaneously, efforts began to emancipate state broadcasting and increase opportunities for private ownership and independent production, by separating distribution, publishing and production, as per the UK Channel 4 model (McIntyre, 1996, p226). Thus by the mid-1990s, in place of a single large, vertically integrated public broadcaster, a growing network of medium to small, vertically disaggregated and disintegrated media providers, externalizing and subcontracting work from each other across all formats, had grown up (Hazelkorn, 1995, 1999). Companies and individuals working in the sector were encouraged towards flexible specialization. In turn, the companies became the nuclei of the emerging cultural industry in Ireland.

Defining Ireland as ripe for the economics of culture initially fell to the first minister for the Arts, Culture and the Gaeltacht, Michael D. Higgins. The designation of the cabinet ministry in 1993 was in itself an over-due attempt to bring Ireland up to European standard. However, given the country's perilous economic legacy and status, and concurrent technological developments and cultural debates, the post's real significance lay in its ultimate ability to stamp out an agenda that took the arts from the 'high culture' shelf into the heartland of public policy: economic growth and employment. The first official recognition of this came with the publication of *The Employment and Economic Significance of the Cultural Industries in Ireland* (Coopers and Lybrand, 1994). Subsequent reports went further, referring alternatively and simultaneously to the content sector, the creative industries, and more latterly, the entertainment industry, all with the purpose of globalizing and integrating Ireland within the international 'electronic entertainment industrial complex.' Because Ireland is seen to be an abundant producer of cultural material, which had been identified as being a primary product of the new millennium, electronic broadcasting, print media, publishing, multimedia, the digital arts, film, music and the performing arts all came to be designated as lying at the heart of Ireland's economic future (Hazelkorn, 1997, forthcoming 2000).

Information Age strategy

Beginning in 1995 with the establishment of the Information Society Commission, a triangular strategy began to emerge: 1) provision of technological infrastructure, 2) alterations to the financial and regulatory/legislative environment, including fiscal policy, security and intellectual property rights, and 3) provision of content innovation and development. Implementation can be categorized as follows: 1)

[5] Much Irish design and taste has been described as derivative, copying styles more suited to other environments, climates and cultures, e.g. the Spanish 'hacienda' on the west coast of Ireland. See comments also by Fallon, 1998, p3.

activities to be made attractive to private interests, either directly or via a policy of 'managed privatization' if currently in the public sphere; 2) activities to be retained within the public sphere; 3) activities to be carried out by non-Irish multi-nationals where no Irish capability/capacity is identified. Backed by an arsenal of state transfers through access to EU funds, policy emphasis has subsequently been on the liberalization, privatisation and diversification of the broadcasting, cable and telecommunications marketplace, active promotion of Internet and e-commerce technologies, significant investment in technological infrastructure, and most recently the promotion of content innovation. Unashamedly statist, albeit crucially different from previous such policies which emphasized state-ownership or control of key manufacturing sectors as *the* mechanism for industrialization, the preference now is to create a 'competitive liberalized ... market' with 'low taxes on profit' and to redefine and promote cultural activity and production. Politically and ideologically, there is universal endorsement of this strategic targeting and marketing of Ireland as an 'information gateway', an English-speaking beachhead between the USA and Europe.

> As the Information Society takes shape, Ireland has a unique window of opportunity . . .. Ireland can carve out for itself a strong and sustainable position as a location of competitive advantage for information-based services . . .(Information Society, 1996).

As a consequence, a raft of decisions seeking to carve out an Irish niche in the digital age have been made, the most recent of which are: the abandonment of Telecom Éireann's monopoly on telephony (December 1998) followed rapidly by its flotation (June 1999); the sale of Cablelink (April 1999) with over 350,000 subscribers or 80 per cent of cable television subscribers to US-owned NTL; the digitalization of paper and the US-Ireland agreement on encryption (September 1998); a £60m 'seed capital' investment in public-private partnerships (over the next three years) to deliver broadband technology across the country; endorsement of e-commerce (March 1999); the creation of a designated Digital Park outskirts of Dublin with a second 'park' being identified in an urban renewal area (July 1999); new legislation supporting digital television (1999); £135m investment over 10 years to support the establishment of MIT Media Lab Europe (MLE) (November 1999)[6]; and $560m research and development investment over 6 years via a Foundation (March 2000) with explicit attention given to the ICT sector (of which digital media is recognised by Enterprise Ireland as one of the key targets).

While the concept of the 'digital age' was largely unknown when the electronics and later the software industry were identified as having strategic importance for Ireland in the mid-1980s, steps were already underway throughout that decade to dismantle the public broadcaster's monopoly position and create a deregulated audio-visual market with multiple providers and distributors. Those initiatives matched similar moves throughout the EU and the United States, and occurred against a background of profound change in the broadcasting marketplace, technological innovation, and finally, convergence between technology, telecommunications and image/sound that dominated the 1990s (see Appendix 1). By 1996, the government was being strongly urged to establish the digital media/multimedia industry 'in association with the various "media" interest groups *in the country*' (my emphasis) however further expansion was hampered by the absence of adequate telecommunications networks and legislation (Farrell Grant Sparks, 1997; National Software Directorate, 1997; Forfas, 1996). With most of these issues in the process of being resolved, the focus has shifted back to new media and content (Farrell Grant Sparks, 1999).

The deliberate targeting of MIT and the MLE project follows similar efforts to establish an animation industry in the 1980s to capture a different corner of the emerging international cultural industry for Ireland.[7] Thus, MLE, due to begin operations in late 2000, holds the key to completing the aforementioned triangular strategy. With anticipated increased demand for content with the advent of digital television and more widespread use of the Internet, the government is, arguably of necessity, looking at large scale initiatives, such as MLE, around which a 'multimedia village' combining research and development facilities, small business incubators and support services can be constructed.[8]

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[6] MLE began operations in Dublin in July 2000.

[7] Don Bluth, a former Disney executive, set up and produced three full-length animation films in Dublin before collapsing.

[8] *Progress Implementing the Information Society*. Second Report of the Inter-Departmental Implementation Group, 1999.

This concept is currently being implemented in an effort to re-create the experience of Silicon Valley.[9] As there are no likely indigenous players, despite efforts over the past years, the government has returned to the well-worn strategy of buying-in or importing expertise, a situation at variance with the vision espoused by Enterprise Ireland.

> [I]f Ireland is to truly prosper in the Digital Age it must innovate more and become a significant producer and exporter of content, not simply -, as has historically been the case - a producer of a skilled workforce, which is largely used by multinationals locating in Ireland. This is not to denigrate the importance of these multinationals to Ireland but we must develop a greater reliance on our own talents and resources (Enterprise Ireland, 1997).

Global Cities and Techno-States

That the arts and culture are at the centre of this debate about global economic policymaking is not really new. Indeed, state patronage of and involvement with the arts goes back centuries.

> For example, in addition to commissioning artists' work for the decoration of public buildings, the democracy of ancient Athens was an active patron of drama, largely as part of the state religion (O'Hagan, 1998, p3).

What is new, however, is the level and attention that has been given to the role of the arts and cultural activity as a mechanism in urban regeneration since the 1980s. In this respect, the arts were seen as having an 'economic spillover' effect in terms of labour intensity, tourism or as a vehicle for attracting business to a particular area (O'Hagan, 1998, p31). Thus, planners deliberately courted and clustered small cultural/design innovators as part of urban renewal projects. The emergence of an arts-led strategy concentrated on a 'crossover' between the media and visual arts, drama, dance, music, design/craft and fashion, and their respective consumptive and productive elements, located around small managed workspaces and studios (Wynne, 1992, p5, 15). Dublin followed the path of Glasgow, Barcelona and others as the 'culture capital' of Europe, and in North America, of Toronto, New York and Boston. The Temple Bar initiative, announced in 1991and orchestrated by the Prime Minister's office, was aimed at the regeneration of a previously derelict and neglected urban space critically juxtaposed between two main commercial districts. The schema sought to overlay a burgeoning but commercially ineffectual cluster of 'counter cultural bohemianism' with 'commercially safe chic' using a combination of 'image' industries (film, music, art, design, drama, multimedia and photography) as the engine of visual attractiveness on which to drive urban and economic revival[10]. Despite the deliberate marketing of the area as the 'cultural quarter of Dublin', with an array of state/city sponsored cultural and educational centres, shops, restaurants and public/private housing,[11] it has not credibly delivered on generating a 'localized cultural industrial district'. The over-determining focus in the Dublin and other such urban renewal/regeneration projects and initiatives has, in reality, been consumer not production driven. Thus while these areas are and remain popular with tourists and day-trippers, there are significant doubts emerging as to their ability to actually generate real wealth.

Ten years later, Ireland is trying to work to a grander vision. In 1996, the Information Society Commission announced that it sought to transform Ireland's cities into 'info-cities' and Dublin into a 'virtual city'. That vision appears to have strengthened over time, and there is now a more strident and deliberate strategic targeting and marketing of Ireland as the global 'information gateway' and Dublin

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[9] See the Enterprise Ireland, *ITS 2007* (May 2000) which states that the 'Digital Media District will provide a platform from which leverage and stimulate the opportunities within the media environment … [which] is vital if knowledge exchange and integration of creativity and technology can occur'. The Dublin Chamber of Commerce has been lobbying to establish an air link between the 'Silicon Valley' and the 'Silicon Island'.

[10] An Taisce, *Ireland's Designated Areas: Lessons from Temple Bar*, Dublin, 1996, p. 1; see also Mary P. Corcoran, 'The Re-Enchantment of Temple Bar', paper presented to the Sociological Association of Ireland, May 1997; Sharon Zukin, *The Culture of Cities*, Blackwell, 1995.

[11] The Department of the Environment reported (March 1996) that within Temple Bar's streets, '131 new businesses had opened, including 10 cultural centres, 39 restaurants and cafes, 8 pubs, 43 shops, 9 clubs and 3 hotels' with an expectation of 2000 job by the end of 1996 (An Taisce, 1996, p. 11).

as the ‘innovative city’ (Moulaert, 1997, p100). While the city does not figure among those noted by Saskia Sassen as ‘global’ and ‘transnational’, Dublin has endeavoured to strengthen its ‘role in an emergent European urban system’ focusing on becoming a centre for producer services and knowledge-based industries (Sassen, 1994, p53, 55)[12] The city is punctuated by ‘gigantic invisible cobwebs’ of optic fibre, copper cable, wireless, microwave and satellite communications networks Graham and Marvin, 1996, p3). For Ireland, the significance of all this frenetic activity is that, despite late industrialisation and the absence of a traditional industrial or manufacturing base, the state hopes to achieve first-world economic status by becoming an integral node of the global information society.

> …an increasing number of urban telematics strategies…are emerging aimed at positioning cities as attractive global investment nodes for advanced service and manufacturing industries (Graham, 1999, p17).

As more and more of this activity is inevitably centred on Dublin, and few other urban centres, there is the additional possibility of retaining Ireland’s tourist and environmental ‘green’ tradition. Hence, the attractiveness of a ‘clean’ arts/culture and technology strategy.

Conclusion

Despite the hyperbole, both in Ireland and abroad, two key questions arise. First, do the cultural industries exist as an identifiable cluster, and second, once identified, can national economic/capital (re)generation be built around cultural production?

Increasingly researchers are commenting that the data for what is being termed the cultural industries sector is uneven and confusing not least because the use of the term is infused with political, economic and technological agendas (O’Connor, 1999). As global competition heats up even further, individual and group (e.g. EU) economies have sought to identify new sectors ripe for take-off. Cultural activity was once associated with traditional visual and performing art activity, including museums/exhibitions; beginning in the 1980s, it took on a greater, albeit still tame, importance as a vehicle or focal point of urban regeneration. Today, cultural and creative activity has become increasingly identified as a potential mechanism of *national* economic generation drawing on the growing intersection between software, content and cultural products. Indeed, it could be argued that the changing definitions of the cultural industries reflect this growing economic significance, and the impact of e-commerce, the Internet and the synergy between cultural activity and new technology. Accordingly, Table 1 reflects the changing definition boundaries, with all the inevitable difficulties of double and under-counting.

[12] The shift towards services, a characteristic of a developed economy, is still occurring in Ireland; 64% of employment is in services compared with the EU highest of 74% and lowest of 56%, compared with 40% of Irish employment in 1960 and 56% in 1986. See O’Malley, 1989, p91 and IBEC *Quarterly Review. Economic Trends* (July/August 2000).

Table 1
Employment and Wealth Creation in Sectors in Ireland Contiguous to 'Cultural Production'[13]

		Employment	Wealth creation
1994	**'Cultural Industries'[14]**	20,000fte	£387m
1994	**Audio-Visual Industry[15]**	675fte	NA
1996	**'Content sector'[16]**	30,000fte	£1b
1997	**'ICTs'[17]**	68,200fte	NA
1997	**'Multimedia Sector'[18]**	2,230fte	NA
1997	**'Film & TV Industry'[19]**	4000fte	£32m
1999	**Entertainment Industries[20]**	7,000fte	£1.35b

But, to return to the second question: can economic growth be built around the cultural industries? Manuel Castells posits the concept of the developmental state in *The Rise of the Network Society*. According to the author,

> The state is developmental when it establishes as its principle of legitimacy its ability to promote and sustain development, understanding by development the combination of steady high rates of economic growth and structural change in the economic system, both domestically and its relationship to the international economy. … Ultimately, for the developmental state economic development is not a goal, but a means: the means of implementing a nationalist project, superseding a situation of material destruction and political defeat after a major war, or, … their economic and cultural environment (Castells, 1996).

The Irish state has sought to fulfil such a role. In the absence of an indigenous bourgeoisie, capable of fomenting an industrial/capitalist revolution, the state has endeavoured through a variety of mechanisms to literally take its place, in ways both similar and different from those described by Castells about Japan, Korea and Taiwan. And there are many grounds for optimism: until recently economic, political and social commentators referred to Ireland as a society dependent on EU handouts with little sign or chance of providing adequately for all its citizens. Today, writers focus almost exclusively on optimistic economic forecasts, predicting a decline in unemployment to less than 2 per

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[13] *Cultural industries:* includes film, TV, printing/publishing, music, theatre, dance, design, visual arts, museums, etc.
Content sector: includes those companies/businesses that 'aggregate music, audio-visual and information/data services...using digital delivery technology and skills.'
Multimedia Sector: content development, web design and associated services, Internet service providers, multimedia hardware manufacture.
ICTs: software development and applications
Entertainment Support Services: film, TV, music, sports, drama, hospitality

[14] *The Employment and Economic Significance of the Cultural Industries in Ireland*, Coopers and Lybrand for Temple Bar Properties, 1994.

[15] *The Independent Film & Television Production Sector in Ireland. Training Issues to 2000*, Statcom/ FAS, *1994.*

[16] Quoted in *Telecommunications for Business – A Users' Guide*, IBEC and Forfas, 1999.

[17] *Information and Communications Technologies,* Technology Foresight Ireland, Forfas, 1998.

[18] *Multimedia – Realising the Potential*, Farrell Grant Sparks, 1997

[19] *'The Bigger Picture'. An Independent economic report commissioned by Film Makers Ireland on the Irish Film & Television Industry*, David McWilliams/Iconic International Advisors, 1999.

[20] *Serving the Entertainment Industries*, Enterprise Ireland, 1999.

cent and a continued growth rate of approximately 7 per cent per annum over the next five to ten years. According to some commentators, Ireland seems to have defied arguments that peripheral economies *can not* escape marginalization and dependency (Sweeney, 1997, p4-5; OECD, 1999). The provision of telecommunications infrastructure with the appropriate fiscal/legislative framework is, without doubt, the sine qua non of any modern society wishing to part-take in the global economy. By choosing to focus on the opportunities arising from the ICTs, and particularly the links between arts/culture, commerce and ICTs, the state is seeking to play to its internationally acknowledged strengthens. Thus, despite inconsistencies in the data and small employment numbers (see Table 1), all agency and private reports consistently point to significant growth opportunities:

> In six years the Irish film sector has grown by over 3400% which is not bad for a cottage industry. The main reason is simply that we are good at this game. We believe that the industry can continue to grow strongly, grabbing international market share as it does….There can be few other industries that make more economic sense for a literate, high income, English-speaking country than film and TV production (McWilliams, 1999, p35).

> Ireland enjoys a positive reputation within entertainment and boasts an impressive list of international success stories within specific entertainment industries. …A number of structural developments are currently taking place…This presents an opportunity for Ireland to establish itself as a leading centre for international support services of the future (Enterprise Ireland, 1999, p6).

However, the picture emerging may be much less confident, a factor which may help explain the great sense of urgency and large scale initiatives coming from government announcements. Each report points to major barriers to growth, which bear an uncanny similarity to the damning Telesis report of 1982, have been identified, inter alia: inadequate research, insufficient innovation, severe shortage of skilled labour, dependency on applications of relatively mature technologies and low value-added services, too many companies of insufficient scale, identifiable gaps in the market, sectors are disjointed and uncoordinated, insufficient financial or capital base, absence of critical mass, etc.[21] The scale of these cumulative problems threaten the government's overall strategy not least because some of the evidence suggests that Irish economic success may be disproportionately based upon the wealth created by multinational and not indigenous companies. Most software companies based in Ireland have concentrated on localisation, testing and packaging rather than the more significant development operations.[22] Moreover, Ireland's current attractiveness to high technology multinationals, in areas such as high skills and relative low costs, are being jeopardised by dramatic labour shortages and the rising cost of living. While the Irish film industry has occasionally enjoyed some Hollywood acclaim, it is overwhelmingly being chosen and marketed as a location site rather than an indigenously rooted cultural activity.[23]

Not surprisingly, the government has taken the unusual and controversial step of bringing MIT MLE to Ireland to help spearhead a content industry. But can it work? *Vox pop* evidence, among people heavily engaged in developing the sector, suggests great doubt that MLE and the Irish government share the same agenda. However, as one commentator states: MLE is like the 'anchor tenant' in a shopping complex. You need it to draw other companies/endeavours into the arena. Already, this element of the

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[21] See also Clancy and Twomey, 1997.

[22] Initially, multimedia was viewed as an offshoot of the software sector. Reflecting the reality of the market place in the 1990s, companies were discouraged from developing local multimedia cultural content. Instead, products capable of being exported to different cultures were recommended. The state's focus was to make it a medium risk commercial export success rather than a new form of cultural expression. The strategy was to encourage them to develop educational and business to business products, e.g. localisation and testing, for the global market rather than cultural ones (Farrell, Grant Sparks, 1997, p4). Recently, responsibility for the multimedia sector has moved to the International Services section of the state enterprise agency, whose principal task is to make indigenous companies internationally competitive. *IST-2007* (Enterprise Ireland, 2000) emphasized considerable development possibilities linking diverse media/cultural formats (film, broadcasting, music, etc.) via digital technology. I am grateful to Colm Murphy for this point.

[23] See 'De Valera hits Hollywood, shooting from the hip', *The Sunday Tribune*, 20 February 2000, p21.

strategy seems to be working with various larger companies/institutions and tele-houses seeking to establish themselves in Dublin, particularly around the Digital Media District.[24]

On a wider note, in an increasingly networked and global economy, the question of whether individual states can establish independent relations vis-à-vis multinationals or larger economies may be a moot point. Based on the Irish case, states experience a degree of policy-making latitude, albeit limited, to construct a semi-autonomous economic strategy or as Ó Riain (2000, p244) prefers a 'flexible developmental state'. While that role might primarily be one of widening the room for manoeuvre, or as Henderson argues, of 'having…[the] capacity… to exercise a modicum of organizational and technical control', it does open up the possibility of a semi-peripheral or 'third strand' between the core and periphery (Henderson, 1989, p15). In this scenario, the key issue may be how the state uses its authority to protect itself from vulnerability and exposure to global factors. Thus, while the difficulties experienced are not particular to Irish cultural production, the question of whether cultural production can enable economies to overcome barriers to growth and late industrialisation is still open to investigation.

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(Additional details regarding government/agency reports are listed in Appendix 1).

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[24] See Footnote 9.

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Appendix 1

Identification, emergence and rise of the cultural industries in Ireland: a selection of government and agency publications

- *Report on Indigenous Audiovisual Production Industry* (Coopers & Lybrand, 1992)
- S*ectoral Study on the Print and Paper Industry* (Colin McIver Associates for FAS, 1994)
- *A Strategic Vision for the Irish Music Industry* (Simpson Xavier Howarth, 1994)
- *A Report on the Irish Popular Music Industry* (SKC, 1994)
- *The Employment and Economic Significance of the Cultural Industries in Ireland* (Coopers & Lybrand, 1994)
- *A Strategy for Success Based on Economic Realities: The Next Stage of Development for the Film Industry in Ireland* (INDECON, International Economic Development Consultants, 1995)
- *Active or passive? Broadcasting in the future tense* (Government Green Paper on Broadcasting, 1995)
- *Telecommunications Developments and Ireland. Maximising the Opportunity* (IBEC, 1995)
- *Training Needs Project: the Independent Film and Television Production Sector* (FAS for Statcom, 1995)
- *The Future of the Irish Book Publishing Industry* (Coopers & Lybrand, 1995)
- *Interim Report of Study of the Newspaper Industry* (Competition Authority, 1995)
- *Striking the Right Note. A Submission to the Government on the Development of the Irish Music Industry* (Music Industry Group, IBEC, 1995)
- *Market Opportunities in Ireland: Music/Books* (Marketing Partners in Dublin/Coopers & Lybrand, 1995)
- *Broadcasting Policy in Ireland. Creating a Vibrant Audiovisual Production Sector* (IBEC, 1995)
- *Report of the Commission on the Newspaper Industry* (Government Publications, 1996)
- *Ireland's AudioVisual (Film & Television) Facilities Infrastructure* (Statcom/Film Makers Ireland, 1996)
- *Ireland: the digital age, the internet* (Forbairt, 1996);
- *Information Society for Ireland. Strategy for Action* (Report of Ireland's Information Society Steering Committee/Forfas, 1996);
- *The Economic Impact of Film Production in Ireland 1995* (IBEC, 1996)
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- *Clear Focus/Fócas Géar. The Government's Proposals for Broadcasting Legislation* (Department of Arts, Culture and the Gaeltacht, 1997)
- *Clusters in Ireland: The Irish Indigenous Software Industry: An Application of Porter's Cluster Analysis* (NESC, 1997)
- *A Strategy for Digital Television and Broadband Communications Services* (Deloitte and Touche, 1998)
- *Information and Communications Technologies.* (Technology Foresight Ireland, Forfas, 1998)
- *Implementing the Information Society in Ireland: An Action Plan* (Information Society Commission, 1999)
- *Building a Capacity for Change. Lifelong learning in the Information Society* (Information Society Commission, 1999)
- *Progress Implementing the Information Society*. (Second Report of the Inter-Departmental Implementation Group, 1999)
- *Ireland. National Development Plan, 2000-2006* (Government Publications Office, 1999)
- *Report on e-Commerce. The Policy Requirements* (Forfas, 1999)
- *Ireland. National Development Plan, 2000-2006* (Government Publications Office, 1999)
- *Serving the Entertainment Industries* (Enterprise Ireland, 1999)
- *The Bigger Picture* (Filmmakers Ireland, 1999)

- *EU Framework 5 – IST* (Information Society Technology Programme, 1999.
- *ITS 2007* (Enterprise Ireland, 2000)

Table 1
Employment and Wealth Creation in Sectors in Ireland Contiguous to 'Cultural Production'[25]

		Employment	Wealth creation
1994	**'Cultural Industries'**[26]	20,000fte	£387m
1994	**Audio-Visual Industry**[27]	675fte	NA
1996	**'Content sector'**[28]	30,000fte	£1b
1997	**'ICTs'**[29]	68,200fte	NA
1997	**'Multimedia Sector'**[30]	2,230fte	NA
1997	**'Film & TV Industry'**[31]	4000fte	£32m
1999	**Entertainment Industries**[32]	7,000fte	£1.35b

[25] *Cultural industries:* includes film, TV, printing/publishing, music, theatre, dance, design, visual arts, museums, etc.
Content sector: includes those companies/businesses that 'aggregate music, audio-visual and information/data services...using digital delivery technology and skills.'
Multimedia Sector: content development, web design and associated services, Internet service providers, multimedia hardware manufacture.
ICTs: software development and applications
Entertainment Support Services: film, TV, music, sports, drama, hospitality
[26] *The Employment and Economic Significance of the Cultural Industries in Ireland*, Coopers and Lybrand for Temple Bar Properties, 1994.
[27] *The Independent Film & Television Production Sector in Ireland. Training Issues to 2000*, Statcom/ FAS, *1994*.
[28] Quoted in *Telecommunications for Business – A Users' Guide*, IBEC and Forfas, 1999.
[29] *Information and Communications Technologies*, Technology Foresight Ireland, Forfas, 1998.
[30] *Multimedia – Realising the Potential*, Farrell Grant Sparks, 1997
[31] *'The Bigger Picture'. An Independent economic report commissioned by Film Makers Ireland on the Irish Film & Television Industry*, David McWilliams/Iconic International Advisors, 1999.
[32] *Serving the Entertainment Industries*, Enterprise Ireland, 1999.