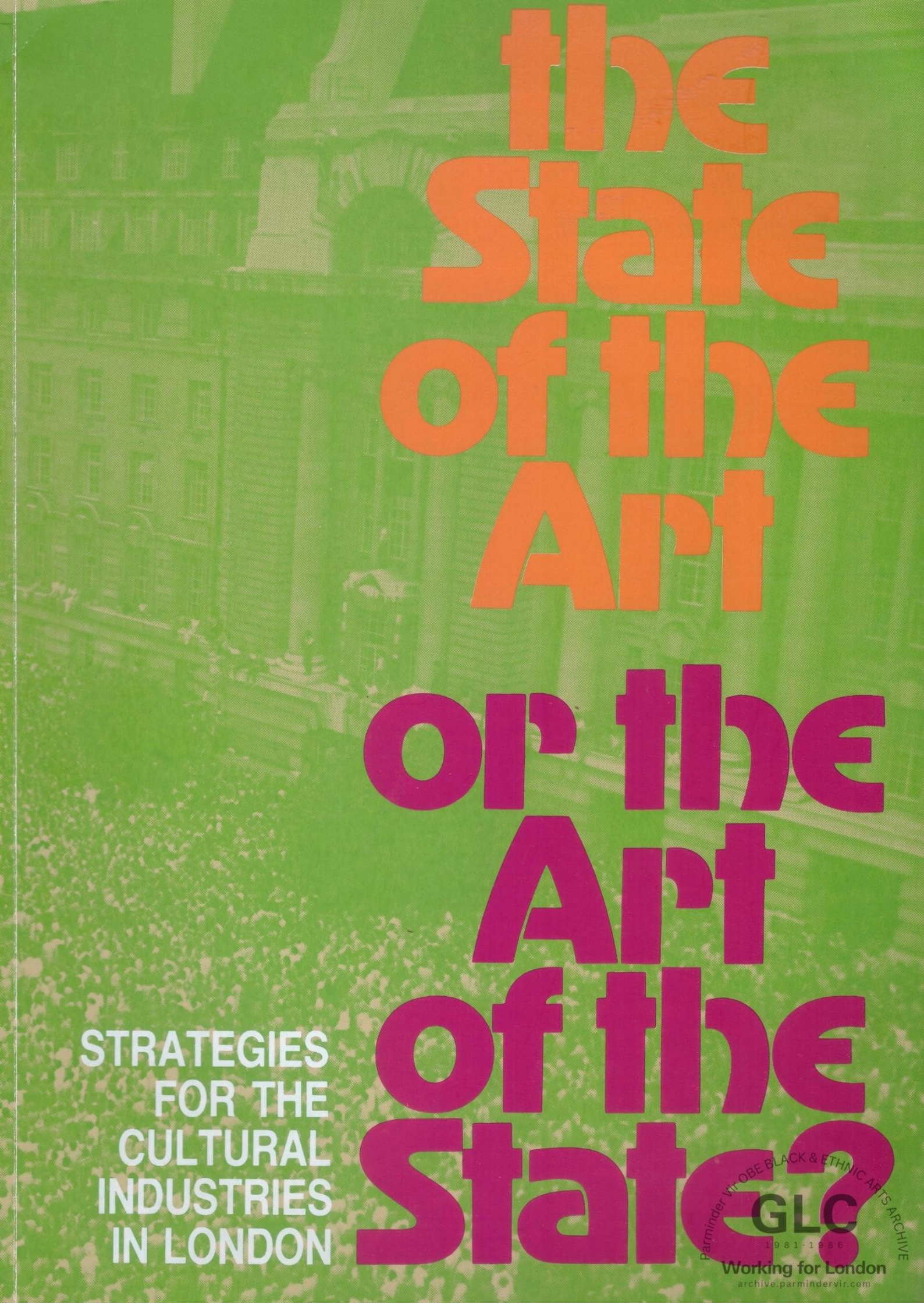




the
State
of the
Art

or the
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STRATEGIES
FOR THE
CULTURAL
INDUSTRIES
IN LONDON

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Jobs for a Change Festival, June 1984, at County Hall.

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Department for Recreation and the Arts
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CHAPTER 1

INTRODUCTION

Chapter 1

INTRODUCTION

Michael Ward
Deputy Leader GLC
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Employment Committee

Peter Pitt
Chair, Arts and Recreation
Committee

Traditionally arguments about state policy and culture have centred on levels of funding and levels of subsidy for traditional art forms – for the theatre, visual arts, classical music and so on. This book is about other ways of thinking about culture, emphasising in particular the role of the new technologies of television, video, radio, cable and satellite, and the ways in which the production and distribution of culture is organised as an industry. These industries are important not only because they provide pleasure and self-awareness, because they lift people out of the daily routines of getting and spending, and because they control the production and distribution of the words, sounds and images with which we make sense of our lives and of the world we live in. They are also important – indeed increasingly important – as major centres of economic activity and employment in their own right.

The next few years seem set to place leisure and culture at the top of the political and social agenda. The advent of the new communications technologies of cable and satellite is already forcing governments throughout the world to make far reaching decisions about the future of culture and its relation to these new means of distribution.

Simultaneously, the whole question of leisure has taken on a new urgency with the massive increase in free time, whether enforced or voluntary, as working hours decline and unemployment continues its inexorable rise. In London alone there are now over 390,000 registered unemployed, not to mention the thousands of students, school leavers and elderly kept off the register and the thousands of women who have lost their job without registering.

This massive increase in leisure time can be seen in two ways: as a new market to be tapped by commercial interests (consumer spending

on leisure reached an all time high of over £47 billion in 1984, 24.5% of all consumer spending) or as a resource which can enable far more people to take part in creating their own culture and their own meanings.

In each of the cultural industries powerful and disturbing tendencies can be seen: towards massive concentrations of power, towards narrowing of choice, towards a deepening of sexist and racist prejudices and the cult of violence, and towards the exploitation of the most passive forms of leisure. In parallel, however, the seeds of an alternative can be seen, an alternative that the GLC has done much to foster. In areas like community publishing and video production, in the independent record industry, and in some of the work of Channel 4 the outlines of an alternative to the mass, standardised culture of the multinationals are beginning to emerge. It is an alternative based on promoting diversity, on breaking down the barriers between makers and users and on using new techniques and technologies to enhance choice and participation.

These new areas are important not only for their contribution to a lively, cosmopolitan and pluralist culture. They are also beginning to create significant numbers of jobs. To support these alternatives we envisage the state playing a new role, going well beyond the provision of culture to an often passive public. We see this role being primarily based on investment rather than grant aid, and on supporting economic infrastructures – such as distribution and publicity networks – rather than individual productions. It is a role that will increasingly be played by enterprise boards and economic development organisations rather than traditional arts funding bodies.

We see a two fold role for the state in the years to come: first to create new jobs and new training opportunities, particularly for those groups which have been excluded from the media in the past; and secondly to increase real choice in what is available to people as users of culture. Without this, there is a very real danger that the forces of the market, and particularly of the international market in areas like television, film and music, will work to reduce choice, producing fewer and fewer newspapers, books, films and television programmes for ever larger international audiences. As is made clear in several of the chapters in this book, the market, which parades itself as the champion of freedom and choice, often works to reduce access and to create artificial scarcity. We have seen this most clearly in the case of cable television where the private sector is seeking to replace the universal availability of existing television with a system where different channels, and even individual programmes, will only be available to those willing or able to pay.

In the last few years central government has done remarkably little to help this sector, despite its claims that communications and



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leisure will play central roles in the reconstruction of the British economy. Its cable and satellite policies – which were supposedly going to usher in a new age of high technology leisure and create tens of thousands of jobs – now lie in tatters. Nearly four years after the cable policy was announced amid fanfares, only a few hundred homes are connected to genuine multi-channel cable. Many of the major investors have pulled out in despair. Meanwhile the Government's film policies have been condemned by almost everybody working in the film industry as combining mean-mindedness with confusion, threatening the industry's recent and well publicised recovery. The £1.5 million that the Government is now offering the film industry wouldn't pay for a fraction of the cost of a new tank, aeroplane or missile. For the press and publishing industries all the Government has to offer is a (possibly temporary) reprieve from the threat to impose VAT on books and newspapers and a pusillanimous response to the growing power of press barons like Murdoch and Maxwell. In the traditional arts, the Arts Council policy that was to have devolved funds to the regions has been revealed as just another cover for making sweeping cuts.

A major problem is that the present Government shows very little interest in the forms of culture that people actually want and use, and in the needs of the sector as an industry that requires long term investment. Instead, it retains a quaint obsession with a heritage of old masters and grand operas, and with free markets in sectors of mass communication notorious for their conglomerates and multinationals.

One reason for this is their – very traditional – view of culture as a self-contained realm which exists in opposition to the material and the economic, a world of expression and of individual artistic creativity that requires protection from the malign influence of money and industry. Another reason is the deep seated, elitist view that what is popular cannot by definition also be valuable and good. A truly radical strategy for the cultural industries must be based on the belief that quantity and quality need not be mutually exclusive.

This book, by contrast, takes as its starting point the undeniable fact that the cultural activities in which most people participate, the cultural goods and services they use and consume, are produced and distributed within a market by large scale organisations subject to many of the same structural economic pressures that exist in other sectors of the economy.

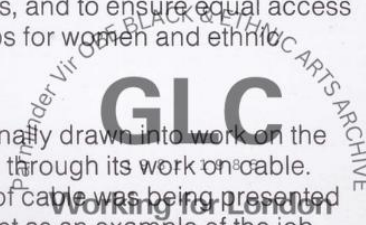
In terms of the public's commitment of time and money – indeed by almost any standard of measurement, public subsidised culture remains very marginal by comparison. It is also, perhaps surprisingly, intimately linked to commercial culture, through its role as an arena for innovation which generates products for the

commercial sector, and through the pressures which fall on the state to support cultural forms, such as ballet or drama, which are no longer viable in a strictly economic sense.

The GLC's concern for the economics of culture derives from two policy areas that have increasingly converged. One has been the work of the Arts and Recreation Committee, which in the years after 1981 not only raised spending in absolute terms to over £60 million a year (in itself a major intervention in London's economy), but was also attempting, in particular through its Community and Ethnic Arts and Sports Sub-Committees to shift priorities within which subsidy was distributed in favour of previously neglected cultural producers. This entailed directing resources towards women and ethnic minorities, and towards previously neglected cultural forms such as photography, film and video, and in particular towards sports. It aimed to ensure that the broad range of the working class, of women and the ethnic minorities could benefit as cultural consumers from subsidy rather than the narrow and privileged elite to whom, in general, cultural policy is, and has been directed.

It was clear that no such policy could be pursued successfully without close attention to the dynamics of the cultural sectors as a whole. Both because demands for subsidy were often the result of shifts in the market (e.g. the demand to subsidise cinema and certain kinds of bookshops) and because subsidised cultural goods and services would be competing with the commercial sector for the spending, time and loyalties of the audience it wished to reach. Moreover since one of the aims of the GLC's cultural policy was to help change both the hierarchy of legitimacy of cultural forms and the meanings circulating in our society, such as the representations of gender and race, it could not afford simply to desert the commanding heights at present controlled either by powerful, often multinational cultural conglomerates or by quasi state institutions such as the BBC. The second strand which fed into this analysis was the work of the GLC's Industry and Employment Branch, which was developing an interventionist economic strategy to reverse the downward trend of employment in London. This intervention has sought to work through a detailed intervention in the dynamics of different sectors of London's economy, through fostering production for social need rather than just for the market, enhancing the capacity of working people to control the process of production, through ensuring the development and use of technology to enhance human creative labour rather than through destroying and deskilling jobs, and to ensure equal access to training and jobs for women and ethnic minorities.

The IEB was originally drawn into work on the cultural industries through its work on cable. The introduction of cable was being presented by the Government as an example of the job



and wealth creating possibilities of new technologies and was being linked to a utopian presentation of a future wired society which would provide massive benefits for all. The IEB's investigation soon made it clear that, far from providing new opportunities for culture and employment, cable could in fact wreak damage across the whole of the cultural sector, threatening jobs and limiting diversity. Cable – which could encompass electronic publishing, television, music video, new forms of advertising – seemed to exemplify the ways in which the old barriers between different kinds of cultural activity, and between culture and the new information and communication industries are breaking down.

Some of the reports contained in this book originally formed background material to a conference held by the GLC on the cultural industries and cultural policy. The conference sought to focus on the unequal production, distribution and consumption of culture in terms of class, race, sex and age, and the links between the market and the state subsidised sector. Together with the other chapters they are intended to show the outlines of a strategy for culture in the second half of the 1980s. In a period of such rapid change it would be dishonest to pretend that we have all the answers. However we feel that the ideas contained here deserve a wider audience. Not only because so much of the debate at a national level is misguided and out of date, but also because crucial questions are discussed here – about how the state should distribute resources and attempt to make choices about consumption, about the relations between the state, class, race and gender, about ideologies of high and low culture, about the new technologies of culture and communication and about the relationships which link international and multinational culture to more locally based cultures.

The present Government has shown a remarkable ability to combine confusion and contradiction. It combines an obsession with the market and popular choice with traditional, unreconstructed elitism. It praises films like *Chariots of Fire* yet knocks away the last props of state support for the British film industry. The Arts Council promises to devolve power to the regions, yet the Government policies on ratecapping and the planned abolition of the GLC and the Metropolitan counties threaten much of what is best and most innovative at a local level. Yet there is a coherent alternative, one that is being pioneered in the work of the GLC and GLEB and which can both create jobs and improve the quality of life.

MICHAEL WARD

PETER PITT



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CHAPTER 2

THE RECORD INDUSTRY

Chapter 2

THE RECORD INDUSTRY

**Phil Hardy and
Geoff Mulgan**

deals with distributors. This last group of companies is also, confusingly, called independent. Rather than add to this confusion or use such infelicitous phrases as 'the new independents', in this report we will use the terms 'transnational' (which is self explanatory), 'majors' to describe middle level companies which do not manufacture or distribute their own product (e.g. Virgin, A & M and Stiff) and 'independents' to describe companies like Cherry Red and Rough Trade. This has the double advantage of eliminating some confusion and putting the 'new independents' on a par with established independents, like Topic Records, which operate in parallel fields. But note that two of the transnationals operating within the UK market are not majors by the industry's own definition: RCA and WEA do not manufacture their own product in the UK.



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A note on terminology

The kinds of companies operating in the record industry have been separated out not in terms of their size but in terms of the degree of control they have over their product. Traditionally the 'majors' have been those companies which manufacture and distribute their own product. Within the UK there are three of these; CBS, EMI and Polygram. Other, smaller companies (e.g. Virgin A & M and Stiff) make production and distribution deals with the 'majors'. Traditionally these are called independents. Even smaller companies (e.g. Rough Trade and Cherry Red) make custom pressing deals with record manufacturers, usually independent ones, and separate distribution

The British Record Market

Sales

In terms of unit sales, the UK market for pre-recorded music (i.e., pre-recorded cassettes and records) peaked in the year 1978-79. Trade deliveries for that year were: 7in records, 88.8 million (value £42.9 million); 12in records, 86 million (value £163.2 million) and pre-recorded cassettes, 20.6 million (value £43 million)*. The period 1979-1981 saw a marked decline of sales and fall in the value of the record market by some 30% at constant March 1979 prices. This reduced level of sales has been maintained to the present day.

*The source of these and all the other figures in this report is the BPI, the industry's trade association, unless otherwise stated. BPI figures are generally considered to be the most accurate in this field.

Table 1. UK trade deliveries 1972 - 1984

	Singles		LPs		Pre-recorded tapes*		Compact Discs		Total value
	Units	Value	Units	Value	Units	Value	Units	Value	
1972	46.2m	£11.6m	59.3m	£47.9m	8.1m	£9.9m	—	—	£69.4m
1973	54.6m	£14.4m	81.0m	£69.9m	15.5m	£20.1m	—	—	£104.4m
1974	62.7m	£17.9m	89.5m	£91.7m	20.2m	£29.3m	—	—	£138.9m
1975	56.9m	£19.2m	91.6m	£108.0m	20.2m	£32.0m	—	—	£159.2m
1976	56.9m	£21.8m	83.8m	£117.4m	18.2m	£33.1m	—	—	£172.3m
1977	62.1m	£26.3m	81.7m	£131.2m	19.6m	£37.3m	—	—	£194.8m
1978	88.8m	£42.9m	86.0m	£163.2m	21.2m	£43.9m	—	—	£250.0m
1979	89.1m	£53.9m	74.5m	£161.5m	23.5m	£50.3m	—	—	£265.7m
1980	77.8m	£50.8m	67.4m	£148.5m	25.2m	£52.5m	—	—	£251.8m
1981	77.3m	£54.8m	64.0m	£145.1m	28.9m	£62.1m	—	—	£262.0m
1982	78.6m	£62.2m	57.8m	£139.2m	31.5m	£71.0m	—	—	£272.5m
1983	74.0m	£65.1m	54.3m	£138.0m	35.8m	£84.0m	0.3m	£1.5m	£288.6m
1984	77.0m	£78.8m	54.1m	£141.2m	45.3m	£104.0m	0.8m	£5.0m	£329.9m

Source: BPI Surveys.

*Includes 8-track cartridges as well as musicassettes. 8-track sales had become negligible by 1979.



Table 2. Record Outlets

Number of shops selling records
and tapes in 1981

Record specialists	2,370
Boots	260
W. H. Smith	240
F. W. Woolworth	950
Littlewoods	90
Other Department Stores	350
Radio/Electrical	405
General Music	80
Bookshops/Newsagents	545
Others	170
Total	5,460

Source: BMRB

Employment

Accompanying this decline in sales there has been a significant fall in employment levels. In 1979, approximately 12,000 people were directly employed in the manufacture, distribution and administration of record and tape sales in the UK. In 1981, this number fell to 7,000, at which level it has been maintained to the present day. In excess of 90% of the people employed within the industry work in the London (GLC) area. Currently the industry also indirectly gives employment to a further 33,000 people (or the equivalent of 33,000 full-time jobs). These jobs include 5,000 session musicians**, 4,500 in general distribution (outside of the distribution channels of the transnationals) and 20,000 jobs in the retail trade. In 1981 there were 5,460 retail record outlets in the UK, broken down as follows:

There are in addition assorted activities such as promotion, PR, and recording studio personnel. In excess of 80% of these jobs are based in London and the figure rises to over 95% if retailing is excluded.

Key Trends

In the mid-1980s the major trends affecting the British record industry related both to changes in the media used for reproducing music and to the organisation of the industry itself. In the first category we can see:

- a continuing decline in the role of vinyl, particularly of the LP, from a peak of 91.6 million sales in 1975 to 54.3 million sales in 1983;

**It is interesting to note that of the Musicians Union's 40,000 membership, only 5,000 are engaged in regular session work. Moreover the majority of these 5,000 come from the Union's 10,000 strong Central London Branch.

- a rise in the role of pre-recorded cassettes from 10.6 million units in 1980 to 35.8 million in 1983;

- the emergence of the compact disc which is likely to become the dominant medium for recording music.

Competition and interaction with other media is becoming increasingly important to the industry:

- consumer spending on video hardware and software has undoubtedly hit the record market;

- the pop video has established itself as an essential marketing tool, creating a new £20 million a year industry in the UK in its wake

- the distribution and retailing of video and computer software is increasingly going on in parallel with that of records and tapes.

The nature of the market for music appears to be changing as:

- the number of consistent best selling groups continues to decline resulting in higher turnover of artists and a larger number of releases;

- the market becomes increasingly fragmented and specialised;

The majors appear to be continuing a slow decline as the old independents (such as Virgin and Stiff) consolidate their positions, as the new independent sector has shown its ability to survive the sharp downturn in the market at the beginning of the 1980s, and as the position of the majors in the area like manufacturing and distribution is undermined. Fundamentally the majors are less able to compete in an environment of rapidly changing tastes where flexibility is critical.

Profile of the Major Companies

All the transnationals, indeed virtually all record companies, have significant, and highly profitable, interests in music publishing. Since the fifties, at an ever escalating pace, they have bought into and bought up the Tin Pan Alley (i.e. established) publishers and formed their own publishing companies, with the result that now they are the major force in music publishing.

CBS

CBS Records is the music division of the vast CBS broadcasting corporation. Music, including publishing, accounts for almost 30% of CBS turnover; broadcasting for some 40%. Other interests include musical instruments, toys and book and magazine publishing. In great part because of its complex corporate structure CBS has a reputation for being impersonal and very bureaucratically organized. Moreover, in general, with the notable exception of Warner Communications, the transnationals are not, like smaller companies such as A & M and Virgin, A & R* oriented. They tend to operate like first division football clubs and buy up the contracts of star players from the lower divisions (smaller companies) and then use their marketing muscle to recoup their investment, rather than search out and develop their own talent.

Thorn EMI

In 1975, EMI was the longest established and probably the largest recording organization in the world: one in every five records sold throughout the world was manufactured by EMI. Although it has extensive interests outside music - in TV (it has a large stake in Thames TV), film (production, distribution and exhibition), radio (it has a sizeable stake in Victory and Orwell ILR stations), hotels, electronics, and defence, etc. in 1975, 50% (£500 million) of its sales came from its music interests (including publishing). However, the end of the seventies saw EMI over-extended and facing a recession in the record industry. The merger with Thorn in 1980, an electronics firm with substantial interests in TV manufacture and rental brought new management and a rapid turnabout in the company's financial position. This was achieved by severe cutbacks in the music division and the selling of peripheral interests, notably the Blackpool Tower and the infamous brain scanner. The marriage of the hardware-oriented Thorn and software-oriented EMI was clearly constructed with an eye to the video and cable revolution. The obvious example of this is

EMI's Music Box subsidiary which is now being distributed by satellite throughout Europe.

Of all the transnationals EMI, because of its 'imperial past' is the best established in the Far East. It even owns a record manufacturing plant in Peking for example.

In 1979, EMI's world music sales of \$862.2 million accounted for 50% of its turnover.

Polygram

The origins of this European-based transnational lie in the one-time British owned Deutsche Gramophon. After World War One, the company went independent (in 1924) and was eventually bought by the engineering based company Siemens in 1941. In 1962, Siemens merged its record interests with those of the Dutch Philips electrical company. In 1972 this jointly owned company was renamed Polygram and set about establishing itself in the world record market. Currently, as well as Phonogram and Polydor, Polygram owns the Decca, RSO, Casablanca, Mercury, MGM labels, the Chess catalogue and a significant share of Barclay, France's largest record company. The projected merger with Warner Communications will give Polygram access to the American market in which it has never fully established itself - in 1979, only 20% of Polygram's sales came from America, the world's largest record market - and will give Warner's WEA labels a substantial stake in the European market as well as direct access to the Philips developed compact disc (CD).

The company's world wide sales, which come almost entirely from music - it set up a film and television division in 1979 - were £1.300 million in 1979.

RCA

In contrast to CBS and EMI, with both of which RCA shares many characteristics, being involved in broadcasting (like CBS) and the manufacture of hardware (like EMI), RCA's music division has never provided the corporation with a significant proportion of its turnover. Music provided less than 8% of RCA's worldwide sales of \$7,454 million in 1979. RCA's commitment has always been to the razor rather than the razor blade, to technology rather than software. Hence, in contrast to the other transnationals, which since World War II have largely relied on Japan for technological developments, RCA has invested heavily in technology. The classic example of this is RCA's own version of the video disc which it pioneered at vast cost.

The company's fluctuating commitment to music is reflected in the considerable executive instability in the music division: 1982-1983 for example saw two whole 'sets' of executives leave RCA Records. Of the transnationals, RCA has the most conservative music policy.



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*A & R is Artists and Repertoire, the 'new talent' department within a record company.



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WEA

Formed through a series of complex corporate mergers in the sixties, Warner Communications, the holding company of which WEA is the record division, is the most media-oriented of the transnationals. Currently music accounts for just over 40% of its sales (estimated at \$1,648 million in 1979) and films for the same. However, because of the corporation's deep involvement in film these proportions can change significantly year by year. In 1981, when Warner Brothers had several blockbuster films, its film earnings rose to 60%. Other interests include publishing, toys (the Atari corporation) and cable (MTV, which it

jointly owns with American Express). Its major record labels are Warners, Elektra Asylum and Atlantic.

Significantly of all the transnationals, Warner's growth has most closely paralleled the emergence of rock as the dominant form of popular music, to which the company has committed itself almost exclusively. Moreover, it has been far more successful in the American market than elsewhere, either in terms of 'exporting' American hits or generating hits in its branch companies overseas. It is this lopsidedness that makes the projected merger with Polygram so attractive to the company.

Market Share and the Transnational

The trends in UK domestic market share can be seen in the following tables:

Table 3a. UK Domestic Market Share – Singles: Leading Companies % 1974-84

	1974	1978	1979	1980	1981	1982	1983	1984
CBS	11.5	13.8	15.5	13.1	15.3	11.8	15.4	16.0
WEA	4.4	14.8	17.0	13.6	9.9	9.6	8.1	11.1
EMI	18.5	20.2	18.9	19.5	14.2	12.1	9.9	9.1
RCA	6.0	3.1	3.6	6.4	7.6	8.8	9.1	9.1
Island	4.1	—	2.1	2.6	5.0	3.9	5.9	8.0
Phonogram	6.7	7.5	5.9	6.8	7.4	10.5	6.4	7.9
Virgin	—	2.2	4.3	3.0	4.9	6.5	9.8	6.9
Ariola/Arista	—	—	—	3.6	3.9	3.9	3.8	3.3
Chrysalis	—	2.6	4.2	5.2	4.8	3.3	3.6	3.2
London	4.1	—	—	—	—	2.4	2.5	3.2
Polydor	11.3	11.0	8.1	7.0	8.0	7.3	5.8	3.2
MCA	—	—	—	—	—	—	—	2.7
A&M	1.6	1.8	4.6	4.3	3.0	2.0	2.6	2.0
PRT	7.1	7.1	6.8	3.8	2.5	2.4	1.4	1.3
Record Shack	—	—	—	—	—	—	—	1.3
Others	—	—	—	—	—	—	—	11.7

Source: Music Week.

Table 3b. UK Domestic Market Share – Albums: Leading Companies % 1974-84

	1974	1978	1979	1980	1981	1982	1983	1984
CBS	10.1	13.8	16.3	13.9	15.8	14.1	16.8	17.2
EMI	25.3	21.7	18.7	19.0	15.9	12.5	12.1	12.9
WEA	7.6	11.1	13.5	12.7	11.2	9.6	6.9	9.8
RCA	7.6	5.5	4.1	5.2	5.1	6.9	8.5	8.4
Virgin	2.2	1.6	2.7	2.8	4.7	5.2	7.8	7.4
Island	5.8	—	—	—	1.9	2.4	2.6	5.4
Polydor	10.4	10.8	7.8	7.9	7.7	8.5	5.4	5.2
Phonogram	6.3	5.6	5.7	4.8	5.6	8.0	5.8	5.0
Chrysalis	—	1.9	4.8	3.2	3.6	2.4	3.0	3.1
Ariola/Arista	—	—	—	3.8	3.4	3.7	2.3	2.6
London	6.3	5.2	3.6	2.8	2.9	2.4	2.3	2.1
MCA	—	—	1.4	—	1.5	1.7	1.3	2.1
A&M	4.9	2.4	4.7	5.1	3.8	3.1	3.4	1.8
K-Tel	—	3.9	3.3	3.9	4.0	3.5	3.8	1.8
Telstar	—	—	—	—	—	—	—	1.8
Others	—	—	—	—	—	—	—	13.4

Source: Music Week.

Table 3c. Singles Leading Labels % 1984

Epic	9.3
Motown	5.3
ZTT/Island	5.2
Virgin	5.1
CBS	4.8
EMI	4.7
Mercury	4.1
Arista	3.2
WEA	3.1
Warner	3.1
Chrysalis	2.8
MCA	2.6
Polydor	2.5
RCA	2.4
Parlophone	2.1
Others	39.7

Source: Music Week.

Table 3d. Albums Leading Labels % 1984

CBS	7.7
Epic	7.0
EMI	4.9
EMI/Virgin	4.4
Island	3.9
Polydor	3.8
Virgin	3.5
Motown	3.2
Warner Bros	3.1
Chrysalis	2.9
Telstar	2.9
K-Tel	2.8
RCA	2.3
Arista	2.2
Vertigo	2.1
MCA	2.0
Others	41.3

Source: Music Week.

Table 3e. Transnational Market Share

	Singles					Albums			
	'83	'82	'81	'80	'72	'83	'82	'81	'80
CBS	15.4	11.8	15.3	13.1	7.6	16.1	14.2	15.8	13.9
EMI	9.9	12.1	14.2	19.5	17.0	11.1	12.5	15.9	19.0
Polygram*	14.7	20.2	15.4	13.8	20.2	13.2	18.9	16.2	12.7
RCA	9.1	8.8	7.6	6.4	9.5	8.1	6.9	5.1	5.4
WEA	8.1	9.6	9.9	13.6	6.8	6.6	9.6	11.2	12.7
Total	57.2	62.5	62.4	66.4	61.1	55.1	62.1	64.2	62.7

*Although they are run separately, apart from manufacture and distribution, Polydor, Phonogram and Decca are all owned by Polygram.



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These figures can be further broken down to show the market share garnered by the transnationals:

The transnationals' dominance of the UK market is paralleled in the world market place where the same five companies have a 70% share. If to the above UK figures we add the record sales of the companies whose product is manufactured by the transnationals then they can be described as *controlling* almost 95% of the market.

Yet despite this degree of control, none of the transnationals or the majors have operated in profit from their UK activities alone since 1979. This statement is impossible to back up with figures, primarily because of the way the accounts of the transnationals are presented.

However it is a widely held view within the industry and several managing directors of majors and transnationals have gone on record to this effect. ICC's 1983 report on the music trade, which includes in its survey the results of the far more profitable music publishing companies, concludes bleakly: 'The combined results of 1979 of the largest companies in the sector showed a trading loss'.

However, there seems to be *at present* little chance that either a transnational or one of the majors would either withdraw from the British market or cease operations altogether. The reason for this is that although the UK market (which comprises 6% of the world market) is unprofitable in itself, British recordings account for almost 25% of world sales, estimated at over 16,800 million in value in 1980. The transnationals set up shop in the UK in the late 1960s to tap the great British talent pool unveiled by the success of the Beatles in the world markets. The subsequent string of international successes which British rock has provided almost conveyor belt fashion and the size of the UK market in the early 1970s (which at 10% of the world market was profitable in its own right) saw the transnationals gearing up to a level of sales and activity that is uneconomic at the present time. In short, their bases are bigger than the UK market can support. The current phenomenal success of British signings in the all important American market (which

represents some 50% of the world record market) would seem to demonstrate the correctness of the transnationals decision to remain in the UK market.

This success however, does not necessarily imply either a healthy British record industry or a healthy British music scene. The current international success reflects only the success of the transnationals in finding *exportable* British music. (All the transnationals have an inter-branch accounting system whereby the branch that signs an act receives royalties, as if the act were licensed, from sister companies if they successfully market that signing in their territory. This is important for reasons of morale and more significantly to identify profit centres.) The implications of this could be far from healthy for the local British music scene. Moreover, it could be that in the *long term* this seeking for *exportable* British music at the expense of nurturing local talent for a local market might backfire on the transnationals.

The Responses of the Transnationals and Majors to the Recession

The major reason for the decline in the size of the UK market has been the recession. Coupled with the continued growth of long term unemployment in the industry's key target audience of young peoples between the ages of 16 and 24, this has had the effect of significantly reducing the real spending money available for the purchase of commercially available recordings.

Another significant factor is the practice of 'home taping'. Even if the industry's estimate of £305 million as the value of lost sales is considered excessive, 'home taping' has clearly further depressed the UK record market. The significant fall in album sales in 1982-83, especially compared to the steady rise of pre-recorded cassette sales, goes some way to justify the BPI's claim that as a result of 'home taping', "young people . . . are just not acquiring the habit of (LP) buying". Since 1979, the industry has, unsuccessfully, lobbied government for the imposition of a substantial

Table 4. Consumer spending on records and tapes

	1975	1977	1979	1980	1981	1982	1983	1984
Spending on records and pre-recorded tapes (current prices, £m)	238.9	272.0	398.3	439.0	428.0	462.0	488.0	549.0
Spending on records and pre-recorded tapes (constant 1980 prices, £m)	456.9	391.5	463.3	439.0	384.6	383.3	385.2	375.7
Spending on records and pre-recorded tapes as percentage of total consumer spending	0.369	0.314	0.337	0.321	0.281	0.277	0.267	0.281

Sources: BPI, UK National Accts. 1984



levy on blank audio tapes. Were they to be successful, according to the BPI's figures, the majors and transnationals would return to profitability on their UK operations. I am dubious of this. Moreover, at present, the imposition of such a levy seems highly unlikely.

The continued growth of pre-recorded cassette sales at the expense of albums is a direct reflection of changes in the social patterns of the consumption of music that have followed the introduction by Sony of the Walkman and the development of micro Hi Fi units. These have made it possible to consume music 'on the move', using cassettes rather than records. In the wake of this change, the price and quality of reproduction of a cassette have fallen and risen respectively to that of an album.

At the same time, American and British audience surveys suggest that the rock audience is getting older. In America, for example, a recently completed RIAA survey indicates that in 1982 the 15-24 age year olds accounted for 39% of purchases as against 45% in the years 1979-81. This decline in the purchasing power of the industry's 'key target audience' is the result of both the recession and the absolute decline in numbers of that group. Those numbers will only rise in the early 1990s when the baby boom children of the late seventies 'come on stream'. The implications of this are that, even if the recession bottoms out, the reduced size of the key target audience will mean a smaller growth curve in the youth-orientated aspects of the record market rather than a return to the heyday of the early seventies.

The response of the industry to the savage reduction in the size of its UK market has been erratic. The years since 1979 have seen a spate of closures and mergers. The ailing EMI was rescued by Thorn, and Decca was divided up between Racal (which took the company's electronics division) and Polygram which gobbled up the record side. At the same time there has been throughout the industry an ever increasing belt tightening exercise. (Significantly, it was only in the wake of this that members of an industry never known for their interest in trade unions started to take an interest in such matters). The latest merger announced is the planned worldwide union between Warner Communications Inc. (which controls the WEA family of labels) and Polygram. The complex deal involves WEA buying out the German company Seimens, the joint owner with the Dutch company Philips, through a share deal which offers Polygram a substantial stake in WEA's American operation. On an international level the deal offers both parties access to markets in which they have not previously been strongly established (WEA, Europe and Polygram, America) and gives WEA instant access to the Polygram-developed Compact Disc (CD). For the UK industry the merger of Polygram and WEA when implemented will inevitably mean the

closure of WEA's distribution division with the loss of some 200 jobs.

The projected closure of WEA's distribution arm leads us directly to the most significant long term responses of the transnationals (and majors) to the recession. This is the closure of four manufacturing plants since 1979. These are Decca's New Malden factory, Pye's Mitcham factory, RCA's modern factory in Washington, County Durham and WEA's West Drayton factory - following the decision of WCI to centralize its European manufacturing in West Germany. These closures account for nearly 70% of the industry's job losses since 1979. At present of the transnationals, only EMI, CBS and Polygram still manufacture records in the UK. Of these CBS, which opened a new factory in Aylesbury in 1980, is firmly committed to the UK as a manufacturing centre, though this, of course, is a policy that could be reversed. Similarly it is hard to imagine EMI, the one UK based transnational, ceasing to manufacture in the UK.

The decision by WEA to close down its West Drayton factory is probably the most indicative action of the policies of the transnationals. Sales are down worldwide since 1979 with the result that worldwide production capacity is currently well in excess of demand. This, together with sharp rises in the costs of manufacture and distribution, has led to an increased centralization of manufacture for the European market (including the UK) at the point where the 'best deal' can be made by the transnationals. At the same time, within the UK the transnationals are fiercely competing with each other for manufacturing business, offering production and distribution deals to smaller companies at very attractive prices simply to get the business and thereby keep their factories and distribution divisions operating at realistic levels.

By all accounts WEA (which in 1982 had a 9.6% share of both the UK singles and album market) received substantial incentives from the German government to centre its European manufacturing in Germany. Arista/Ariola (3.9% singles; 3.7% albums) has similarly withdrawn its manufacturing from the UK to the huge Sonopress factory in Germany which, like itself, is owned by Bertelsmann GMBH. Currently Sonopress, a very modern, efficiently run factory with a capacity in excess of over 40 million 12" records a year, is actively seeking manufacturing business in the UK at very attractive prices. At present it is negotiating with RCA Europe to manufacture for them. Presumably if that deal comes off eventually RCA UK (8.8% singles; 6.9% albums) will follow suit on the expiry of its production and distribution deal with EMI. The chances of this happening seem much greater since the announcement that RCA has taken a 50% stake in Arista/Ariola. The details of this deal are unclear - has RCA taken a stake just in Arista/Ariola America or in Arista/Ariola worldwide - but the business logic behind the deal is clear.



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Within the UK, Virgin (6.4% singles; 5.2% albums) has just ended its production and distribution deal with CBS and gone to EMI, reportedly because it got an even better deal from EMI, the implications of the above are that both on a European scale and within the UK the major manufacturers are close to a price cutting war. Certainly they are seeking to maintain their own levels of manufacturing and distribution through aggressive pricing.

Another interesting result has been a significant growth in co-operation between the different branches of the transnationals. Polygram is the most notable example of this. Five years ago Polygram UK would have gone to other British manufacturers if it got a big selling single and lacked the manufacturing capacity. Nowadays, it attempts, like Bertelsmann, to keep the business 'in the family' and goes, when feasible, to sister Polygram companies in Europe. This raises the possibility that Polygram might cease manufacturing in the UK and instead, like WEA, merely import finished copies from Europe. This in turn reinforces the point that in the music industry cultural production, the creation of the product (a song, a new act, a sound, etc.), and its physical manufacture as a saleable commodity need not occur side by side, let alone in the same country.

Of course, the withdrawal from manufacture in a market need not necessarily lead to a withdrawal from cultural production in that market. However, such a reduction in that market inevitably involves a reduction in ancillary activities (sleeve manufacturing, the preparation of art work, mastering, some administration, etc.) which means a further fall in employment levels. Along with this general reduction in activity there follows a tendency to use the cultural facilities of that market (designers, studios, session musicians, etc.) less. An example of this can be found in the classical and film music field. Ten years ago, 50% of the income of the four London orchestras came from recording work. In 1979/80, one of those orchestras received 25% of its income from recording work, in 1982/83, only 8% of its revenue came from recording work. Most of this lost work has gone to East Europe and back to America. Similarly there has been a significant reduction in the amount of the film music recorded in this country. The net result of these two trends has been to put increased pressures on the orchestras and musicians involved. This is an example of changes in the musical policies of foreign producers directly impoverishing British (and specifically London's) cultural life.

As yet, the confidence of all concerned in the depth of the talent pool of British rock/pop/new music acts is so strong that a withdrawal from cultural production in these areas seems highly unlikely at present. Were British acts to be less successful internationally - and there have been such times in the past, most notably when British punk and new wave music failed to

achieve any substantial success in America in the late seventies - the size of the British market would make it unprofitable for the transnationals to attempt to 'import' hits from other markets unless they could at the same time considerably cut back their investment in the UK music scene. The effect of such a drastic shift in the policies of the transnationals would be at the expense of locally developed musical styles (which would have already proved themselves to be unexportable). Again it must be stressed that these eventualities are unlikely to come to pass in the immediate future. But what such possibilities make clear is that in a fashion industry, which the music industry is, it requires absolute confidence on behalf of the transnationals to build upon such shaky foundations as notions of a 'talent pool'.

Marketing the product

Another response to the decline in market size of the transnationals and majors has been to intensify their attempts to hold onto their share of the market. This has involved the industry since 1979 in an unending series of dubious marketing practices collectively known as 'Chart Hyping'. In the winter of 1980 these activities reached such a crescendo that when they were exposed the Managing Director of WEA who was also at that time the Chairman of the BPI (the industry's trade association and theoretically its watchdog) swiftly resigned from both posts. (See Appendix 1 for much greater detail on how and why chart hyping works). The 12" single and picture disc are two other, less unpalatable, marketing gimmicks. Interestingly, though at first 12" singles were only available either at chart return shops or for promotional use, they now comprise 20% of the singles market.

Currently the industry is divided about the latest form of chart hyping, the giving away of T-shirts free with singles at selected chart return shops. The T-shirts would normally cost far more than the single. The large companies (who can more easily afford such promotional activity) have defended the practice - "It's part of the excitement of selling records", (Maurice Oberstein, the head of CBS UK) - while the smaller companies (who can't afford such promotional ploys) have called for an end to the practice.

It's important to note that these sharp marketing practices are not in any way exceptional but merely an extension of general tendencies within an industry that allocates a very large percentage of its expenditure to the promotion and marketing of its product. In addition the industry spends a considerable amount on advertising (£23.2 million in 1982, excluding direct response TV advertising and trade journals).

But the industry's best and most successful advertising is free, the copy between the ads in the press (national and specialist), the records

played on radio and TV etc. (See section below on the Music Industry and Radio).

It is because of this that, in addition to their vertical integration, the transnationals are also heavily involved in allied cultural industries. To take just one example, the British based Thorn EMI is heavily involved in TV manufacture and rental, film (production and distribution) and broadcasting (TV and radio). In the past the transnationals rarely made explicit marketing connections between the different cultural commodities they produced. In recent years this has changed. The classic example of the joint marketing strategy developed for the transmedia cultural product is that mounted by Paramount and the Polygram bankrolled RSO Records for *Saturday Night Fever* in which the music (album and singles) and film were used to promote each other.

Subsequently this strategy has been repeated, refined and extended *ad nauseum*. However, such a marketing strategy (like the tie up between a film/TV programme and a book) generally involves no more than co-operation between the two partners (who may represent different companies/divisions within a transnational). Although the character of the 'industry' behind the pop video phenomenon has not yet been established - the 'industry' is

still developing - it would seem to represent a radically different form of partnership between the music, television industries and one that involves a significant degree of restructuring of those industries, and most importantly of the cultural products they produce. The pop-video phenomenon, its relation to TV and to future Cable TV development has been already examined elsewhere. Here we will raise just one of the complex issues that pop videos pose, the threat to domestic and local musical cultures.



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Video

The current success of British acts in the American market comes after a lengthy period during which the British record industry was unable, with a few notable exceptions, to export the New Wave music of the late seventies to America. At the same time, British New Wave music was successful in Europe. This was less a matter of the closeness of British and European tastes. It has much more to do with the openness of European radio stations and the speed with which links were forged between British and European independents. The root cause of the failure of British New Wave music in America was the resistance of the 3,000 or so radio stations there to a music

Table 5a. Cost Breakdowns

Retail Price	Pop LP £4.99	Pop Cassette £4.99	7" Single £1.35	12" Single £2.29
VAT	0.65	0.65	0.18	0.30
Dealer Margin	1.03	1.03	0.24	0.40
Distribution and dealer discounts	0.73	0.73	0.20	0.34
Artist royalty	0.73	0.62	0.16	0.20
Mechanical copyright royalty	0.27	0.27	0.07	0.12
Design and packaging	0.20	0.06	0.06	0.10
Manufacturing	0.38	0.37	0.15	0.38
Total A & R cost	0.23	0.23	0.07	0.10
Advertising and promotion	0.22	0.22	0.07	0.12
Contribution to overheads-	0.52	0.52	0.15	0.25
Profit (Loss)	0.14	0.29	0.00	(0.02)

Source: BPI Yearbook 1984

Table 5b. Advertising Expenditure

Millions of £	1975	1976	1977	1978	1979	1980	1981	1982
Radio	0.7	1.0	1.3	1.7	1.2	0.7	0.4	0.5
Press (Excluding trade journals)	2.0	2.5	3.5	4.9	4.8	4.5	5.9	3.9
Television (Rate card values)	4.6	6.4	9.2	12.7	12.6	21.3	27.1	35.0
Gross nominal value of press space and TV and radio time	7.3	9.9	14.0	19.3	18.6	26.5	33.4	41.4
Estimated gross value of "Direct Response" TV advertising	—	—	—	—	1.1	5.6	10.2	12.0

Source: BPI Yearbook 1982



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which was markedly different from the Adult Oriented Rock (AOR) music the stations had adopted. This musical conservatism (which suited the audience profiles the stations delivered to their advertisers) precluded New Wave music being played. Without radio exposure, the centrality of which to the promotion of Pop/rock in any market cannot be over-estimated, and in an economic climate in which record companies could not afford to promote their successful British acts in America by underwriting tours there, it proved impossible to market British New Wave music in America.

The current level of success of British acts in America (which according to one estimate produced earnings in excess of £100 million last year) has directly followed the exposure British acts suddenly achieved on MTV, the cable television channel operated by Warner-Amex (a joint venture of Warner Communications and American Express). When MTV began broadcasting in August 1981 it had two million subscribers (the channel is offered free by local cable operators). Now it has in excess of 15 million subscribers. The basis of MTV's 24 hour rolling programme is pop videos.

Begun as an innovative promotional aid to prop up their shares in the ailing British record market those very same pop videos have brought the major British record companies and transnationals this phenomenal American success. But note carefully it is not simply the wonders of 'British talent' – though the talent of British acts is undeniable and without it any success, domestic or international, would be short-lived – that have brought about this success. Rather it is the confluence of a number of factors, in both the British and American music and media industries.

Seen from this perspective, the current 'British Invasion' of the American charts clearly demonstrates the shakiness of the assumption that the British industry will survive whatever, because of the depth of the British 'talent pool.' Moreover, seen in the context of the growing importance record companies are putting on the visual appeal of their signings, and in the way 'possible American appeal' is becoming a significant element in deciding whether to sign an act, the effects of this success in the American market could be detrimental to the survival of local music styles. This last point is even more forceful in the light of swift adoption by American companies of the trickery and gimmickry of 'British style' pop videos in the promotion of their own acts. When British acts are no longer unique, will they still succeed in America? Certainly the continued presence at a high level of economic activity of the transnationals in an uneconomic market won't be guaranteed by the current success of British acts in America. Moreover, the cultural cost of such a presence, seen especially in terms of access to the media of local music styles would be, is overwhelming.

The Music Industry and Radio

The relationship between the record industry and radio in the UK is extremely complex. For radio, recorded music is the staple ingredient of much of its programming, generally taking 50% of any station's broadcasting. But whereas the radio stations use music to attract an audience, the interest of the record companies, especially in the station's programming of pop/rock music, is to seek exposure for their product and so generate sales. For the record companies the radio stations are the key element in their promotion of new records. It is because of this that they supply the stations with free records and make available their contracted artists for interviews and the like. Accordingly the record industry rates the 'success' of a radio station in terms of how helpful it has been in 'breaking' a newly released record. The concern is to transfer radio plays into sales.

The radio stations, including the BBC since the mid sixties, have been willing to provide free publicity for the record companies, but their aim has been not to sell records but to capture specific audiences. The classic example of this is the different programming policies of Radio One and Radio Two, one plays pop/rock to a young audience out at work, the other more conservative middle-of-the-road (MOR) music to those that stay at home, notably housewives. The audiences are different and so the music is different. Though the record industry greeted the restructure of the BBC's radio networks that led to the creation of Radio One with real delight, by the early seventies it took to describing Radio one's musical policies as 'too conservative'.

Accordingly they looked at the first Independent Local Radio (ILR) stations with keen anticipation. Their hope was that the ILR stations would adopt a more adventurous musical policy than Radio One as part of the strategy of finding their own local audiences and so help the industry sell the new pop music that the BBC's producers had turned against. Indeed several record companies went so far as to set up regional promotional teams around the country to service the ILR stations more efficiently, so central a role did the industry see the ILR network playing in the promotion of their product.

But perhaps the strongest indication of how favoured the ILR stations were in the early seventies was the fee agreed between the IBA, on behalf of ILR network, and Phonographic Performance Ltd (PPL), a collection agency wholly owned by the record companies acting on their behalf. PPL pays 12½% of its revenue to the Musicians Union (MU) in recognition of the contribution to sound recordings by musicians who are often unidentifiable and are commonly referred to as session musicians' (Performing Rights Tribunal Judgement, 1980). The MU is an interested party in such agreements as



those between the BBC or ILR stations and the PPL because its members' employment prospects are impaired by the unrestricted broadcasting of recorded music.

At the time of the first agreement between the IBA and PPL of 1976, (an ad hoc arrangement having been in operation before hand), the low fees paid by the (then) 19 ILR stations were thought to be generous. The reason for this, of course, was that it was in the record companies' interests not to lay any financial restraints upon the success of the new network. Broadcasts of recorded music in which PPL held the copyright were to be limited to 50% of broadcasting time, subject to a maximum of 9

Distributing records from the many 'independent' labels at Rough Trade, a company supported by GLEB. (Photo: GLC)

hours a day averaged over a year. Each contractor was to pay the PPL a royalty of between 3% and 7% of Net Advertising Revenue on a sliding scale, the higher figure coming into operation when the station had been on air for five years.

However, it quickly became apparent that the interests of the ILR stations and the record companies were not as close as they seemed. The stations sought to deliver an audience that



suited the profile required by their advertisers, the source of their revenue and profits. The record companies wanted the stations to play the pop music that Radio One wasn't playing and especially help it 'break' new artists and groups. Thus, when the ILR stations found that their audiences were more akin to that of Radio Two, and more fragmented, the record companies quickly gave up on the ILR network, even to the extent of drastically reducing the advertising space it took with the stations. When the recession hit the industry in the mid seventies one of the first cutbacks was the regional promotion teams set up to service the ILR network. Once more the record companies turned their attention to 'national' Radio One (and the charts; see Appendix 1), the musical policies of which had grown slightly more adventurous in response to the setting up of the ILR network.

Accordingly when negotiations for a new 'needletime agreement' began in 1979, they did so in a very different climate of opinion. The PPL took a much more aggressive stance and sought a considerable rise in its royalties. The ILR stations contested the rates offered and took the PPL to the Performing Rights Tribunal. The Tribunal upheld the case presented by the PPL. The new rates came into operation on 1 October 1980. These rates were:

- 4% of the first £750,000 net advertising revenue
- 6% of the next £750,000
- 8% of the next £1.5 million
- 10% of the remainder

The above thresholds are subject to alteration in line with movements in the Retail Price Index.

Furthermore, as a special concession to new

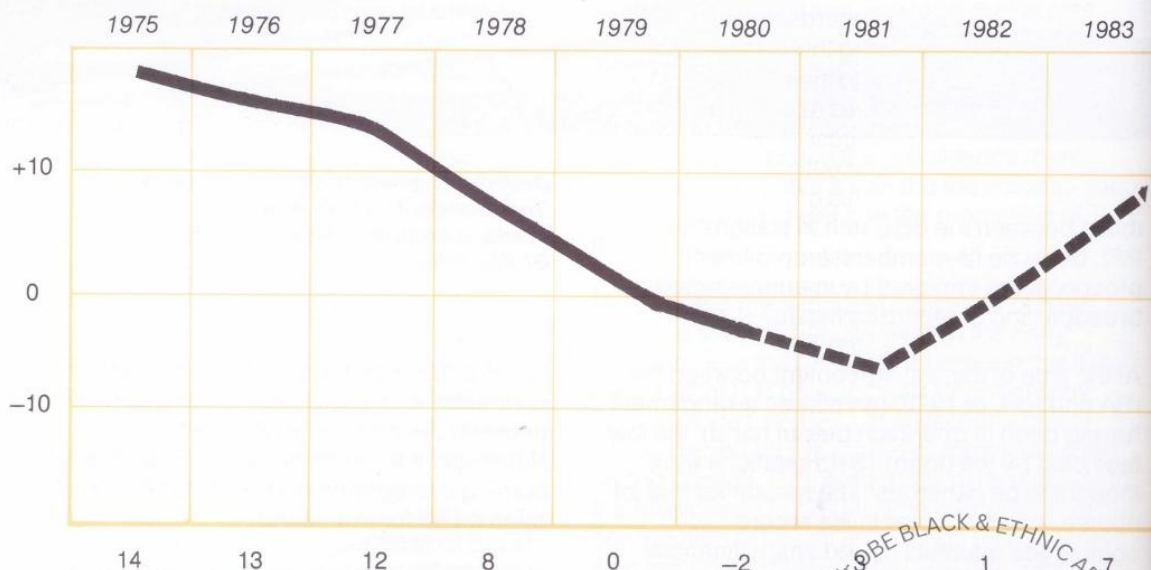
radio stations, their rates payable from the date they come on air are as follows:

- 2% of net advertising revenue for the first full year of operation
- 3% for the next year of operation
- Normal rates from the third year onwards

Since then the Association of Independent Radio Contracts (AIRC) (which supplanted the IBA in the negotiations as the trade association of the ILR network) have taken the Performing Rights Tribunal to the High Courts twice (and are still continuing the case) to demand that the Tribunal show just cause for its 1980 decision. Last year the ILR network of 40 plus stations paid £2.5 million to the PPL. Under its current agreement with the BBC (which expires at the end of March 1985) the PPL receives £15.1 million over a period of three and a half years in return for allowing the BBC to broadcast 162 hours of 'needletime' a week to be allocated between its four networks at its own discretion. No new agreement has been negotiated with AIRC since 1980. When that dispute is settled the PPL is expected to demand an enormous increase in its royalty from the ILR stations.

The significance of this bitter dispute between AIR and the PPL is twofold. First it makes absolutely clear the different commercial interests of the two combatants at a time when neither party is as profitable as it once was. The ILR stations have seen a fall in their audiences from 33% of the total radio audience in July 1982, to 29% in July 1983, and the decline in profitability of the record industry is demonstrated at length elsewhere in this report. The Green Paper on Copyright of 1981, published in response to the industry's lobbying for a levy on black audio tapes to stem

Table 6. Pre-tax profit as a percentage of UK sales



Sources: 1975 – 1980 BPI estimates derived from data provided for PPL by Egest & Whinney from a survey of record companies representing just under 70% of total UK sales 1981 – 1983 BPI estimates based on detailed information from companies accounting for just under 30% of UK sales and with reference to published results.

its losses as a result of 'home taping', rejected the idea of such a levy. It proposed instead that the record industry should seek extra revenue from the broadcasting networks. If the PPL were to adopt such a strategy on behalf of the industry, this could have disastrous effects on the music policies of BBC local radio stations and even Radio One, the two places in which the odder and perhaps more interesting of today's popular music get a regular, if muted, hearing.

At present the record industry both gets revenue from the radio stations and free promotion for its product. At a time when access to the market place is more than ever through the airwaves, I suggest that, from the perspective of the musical culture of the UK, it is madness to have that access controlled and limited by the financial arrangements of the radio stations and the record companies.

The Independent Market: Origins and Development

There is a long tradition of independent record companies in Britain. For the most part these companies have operated within the fields of established minority music, folk, jazz, etc. Since 1977, they have played a far more significant, indeed central, role in establishing the plurality of musics that exist within the mainstream of British popular music. This was made possible both by significant changes in the complex structure of the British record market in the seventies and by a revolution in the tastes of the industry's 'key target audience' that supported punk and New Wave music against considerable media pressure. Ignificantly the structural changes took place first.

Following the end of Resale Price Maintenance for records at the end of the sixties the High Street Multiples (W. H. Smith, Woolworth and Boots) began stocking records in large numbers, and discounting them as loss leaders to attract more people into their stores. By the mid seventies the Multiples accounted for over 30% of the records (and cassettes) sold in the UK, and all non specialist outlets accounted for over 50%. The effect of this change in the retail pattern of records was both to make records more accessible and to restrict the choices between records for consumers, because the non specialist outlets stocked little beyond guaranteed sellers (i.e., the Top 40). To remain in business the specialist outlets had to further specialize in particular forms of music, (oldies, disco, etc.), that the Multiples didn't stock. This, plus the credit controls the transnationals and majors imposed as the recession began to take effect, led them to patronise the growing number of wholesalers and importers who quickly set up in business. These were called 'one stop', because in 'one stop' a retailer could buy all the records he needed, rather than deal with the various companies direct. Several of

the 'one stops' began licensing and re-issuing products to serve their new customers. A few retailers quickly followed suit. Thus, by the time of the punk explosion there was already in existence the framework of an independent informal distribution system which consisted of like minded retailers and the various one stops dotted around the country. Moreover, whereas for a CBS or EMI the breakeven point on a single, because of their huge overheads was 27,285 copies in 1975, an independent record company could make a profit on less than 2,000 copies. It was this revolution in record distribution that carried the message of punk (and the musics that followed) to its audience without the assistance of either the transnationals (and majors) and the media.

It is from this crack in the monolithic structure of the industry that the independent music scene of today has developed. Though much of the 'new music' that has evolved since 1977 is now on the labels of the transnationals and majors, there remains today an alternative music structure of 300 or so independent labels who get their product independently pressed and then distributed by the four significant independent distribution companies, IDS, Pinnacle, Spartan and most importantly, Rough Trade/The Cartel.

The Independent Market Today

The independent market has declined considerably since the late seventies when virtually any record on an independent label had a guaranteed sale in excess of 1,000 units. Based on BPI and Gallup figures we calculate the independent market of today to be 5.2 million albums (out of 55.8 million) with a trade value (including cassettes) of £14.5 million (out of £174.4 million). This market is shared between 300 or so companies. This figure, in itself, shows the reduction in the activity of the independents. In 1980, *Record Business*' Small Labels Catalogue listed almost 400 companies.

The companies and the musics they produce vary immensely in size and style. Thus Topic, Bead, Hollywood and Cherry Red are all independents but all are completely different in character. Topic is an established company specializing in folk music; Bead is a ten year old company run by a loose collective which specializes in the Free Jazz/Improvised Music field; Hollywood (on which Renee and Renata had the first independent chart topper, 'Save Your Love For Me', in 1982) is a pop label that does one-offs like any major record company; and Cherry Red, with its mix of acts ranging from The Dead Kennedys to Quentin Crisp, is clearly committed to producing independent – mainstream music. (It is noticeable, that in recent months Cherry Red has been edging itself closer to the mainstream.) Similarly, though all the independents are manufactured and distributed independently (by definition),



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they are so for very different reasons. Many of the companies are one-offs, formed by bands as an indirect means of securing a record contract with a major company. For these bands, the indie single/album acts as a demo record, with the possible added advantage that if it sells in significant numbers it demonstrates that the group has more than merely hit 'potential'. From the transnational's or major's point of view such a band has also

demonstrated a degree of business 'togetherness' compared to a band that merely sounds good. Accordingly, many such acts simply move onto a major label once they've secured their indie hit, often using that success to get themselves a licensing deal and therefore more control rather than just being contracted as artists.

In complete contrast, Rough Trade since its formation in 1977 has committed itself totally to the independent movement. Its development from a shop into a record company and the

Table 7. Independent Labels and distributors share of Singles market 1984
(about 7.5% of total market)

<i>Pinnacle</i>	2.3%
<i>Flair</i>	1.2%
<i>Volume</i>	0.2%
<i>Factory</i>	0.1%
<i>Others</i>	0.7%
<i>IDS</i>	1.9%
<i>Record Shack</i>	1.2%
<i>Sanity</i>	0.2%
<i>Others</i>	0.4%
<i>Spartan</i>	1.7%
<i>Old Gold</i>	0.5%
<i>Mute</i>	0.4%
<i>Safari</i>	0.3%
<i>Carere</i>	0.1%
<i>Ritz</i>	0.1%
<i>Others</i>	0.3%
<i>Cartel/Rough Trade Records</i>	1.6%
<i>Rough Trade</i>	0.7%
<i>Mute</i>	0.7%
<i>Volume</i>	0.2%
<i>Factory</i>	0.1%
<i>Others</i>	0.3%

NB Some independent labels are distributed by the majors.

Independent Labels share of Album market 1984

<i>Spartan</i>	1.2%
<i>Ritz</i>	0.4%
<i>Mute</i>	0.2%
<i>Others</i>	0.7%
<i>IDS</i>	1.2%
<i>Canberra</i>	0.2%
<i>Nova</i>	0.1%
<i>Record Shack</i>	0.1%
<i>Others</i>	0.7%
<i>Cartel</i>	1.0%
<i>Rough Trade</i>	0.6%
<i>Mute</i>	0.1%
<i>Others</i>	0.3%
<i>Pinnacle</i>	0.9%
<i>Ace</i>	0.2%
<i>Cherry Red</i>	0.1%
<i>Music for Nations</i>	0.1%
<i>Others</i>	0.5%
<i>Making Waves</i> (Covering whole range of Indie labels)	0.2%

Figures courtesy of Gallup.

Table 8. The leading distributors and wholesalers' market shares of total trade deliveries 1983

% share £ m of retailer's purchase prices	7" and 12" singles			LPs and Cassettes	
	%	£mn		%	£mn
CBS	24.4	15.9		24.5	54.4
Polygram	21.0	13.7		19.3	42.9
EMI	18.8	12.2		18.8	41.7
RCA	9.0	5.9		8.5	18.9
WEA	8.2	5.3		6.5	14.4
Terry Blood	7.5	4.9		6.3	14.0
PRT	3.2	2.1		3.1	6.9
K-Tel	—	—		3.0	6.7
MFP	—	—		2.0	4.4
Ronco	—	—		1.8	4.0
Pickwick	—	—		1.5	3.3
Lightning	2.1	1.4		1.5	3.3
Spartan	1.7	1.1		1.0	2.2
Pinnacle	2.4	1.5		1.0	2.2
IDS	1.2	0.8		0.5	1.1
Cartel	0.4	0.3		0.5	1.1
Others	0.1	—		0.92	0.5
Total	100.0	65.1		100.0	229.0

Source: BPI/Gallup/Euromonitor.



lynch pin of the mockingly titled The Cartel, a fully fledged distribution company, comprising Red Rhino (York), Fast Products (Edinburgh), Backs (East Anglia), Probe (Liverpool) which has been central to the development of the alternative music structure. Certainly it's hard to imagine much of the hard-edged alternative music securing distribution without Rough Trade.

Trends in the Independent Market

The world of the independents is far more fragmented than it was at the end of the seventies. Nonetheless a significant number of the independents maintain adventurous musical policies. It is this that makes the independents so important. The share of the market of the transnationals has changed little since the emergence of the independent movement. In 1972 the transnationals had 61.1% and 62.8% of the singles and albums market respectively; in 1982 their share was 62.5% and 62.1%. But the music of 1985, whether it be on the labels of the transnationals or the independents, owes far more to the activities and commitment of the new independent companies. Similarly companies like Topic and Bead have done far more in the field of folk and Free Jazz/Improvised Music than CBS or EMI. Where the transnationals/majors have responded to the recession by attempts to manipulate the market, the indies have fostered a plethora of new musics and captured a new young audience. In this way the indies have in part acted as the informal A&R men (or more accurately R&D departments) for the transnationals. In doing this they are fulfilling a historical role which can be traced back to the twenties and culminated in the fifties with the emergence of rock 'n' roll, which was godfathered, if not mothered, by the indies in the face of substantial opposition from the then majors.

It would be short-sighted, however, to see the indies wholly as the eyes and ears of the transnationals. The key difference between indies of the past in the UK and those now operating is the far greater degree of independence today's indies have, as a result of their guaranteed access to the market place through control of their own manufacturing and distribution. Before 1976, the manufacture and distribution of records was thought to be an almost mystical process that only the transnationals and majors knew about. The flowering of musics since punk (and the enormous advances in music-literacy, especially among the present young generation when compared to previous ones) can be directly attributed to the break in the structures of the music industry that accompanied the indie revolution.

From this perspective the importance of the indies grows year by year as the access routes they have established to the market place are used by more and more bands and musics.

The continued existence of the current cultural plurality of musics is dependent in great part on the continued existence of the indies. Obviously, fringe musics like Free Jazz and various folk musics could survive in a marginalised way through the club circuit and the Arts Council, but if such musics are ever to escape the ghettos of being seen as 'Art' or 'Ethnic' musics, let alone enter the mainstream, they need to be made commercially available outside their 'ghetto' origins. This is precisely what the independents offer, and in a variety of ways from co-operatively organized indies to those organized along the classic entrepreneurial structure of the small business. In short, any sustained alternative (popular) culture is dependent on the continued healthy existence of the indies. It is against this backdrop that the current crisis in the independent movement must be seen.

The Indie Market in Decline

1983 saw a serious decline in the market for the independent sector. The sector suffered from the overall decline in the record market and from a loss of some of the identity and idiosyncrasy which had characterised it previously. In general the sector also suffered as a result of its nature and size. Unlike the majors the independent companies have been unable to spread risks across products and across different media.

The result has been a significant shakout among labels (there are now reckoned to be about 5-600 continuing a significant operation); a continuing decline in the number of independent retailers (many of which had contributed to the overall identity of the sector) from 2,550 in 1980 to 1,980 in 1983; the collapse of two of the main independent distributors, Pinnacle and IDS in the autumn of 1984. These had suffered from the excessive competition at the poppier end of the independent market and found themselves unable to maintain their large sales teams and marketing budgets. Pinnacle has now been re-established but it is still unclear how successful it will prove.

Rough Trade, which at one point looked set to be a prime casualty of the decline in the sector is now apparently thriving. In part its orientation towards the hard edge of the sector has insulated it from competition around the charts. In the short term a more significant factor has been the success of the Smiths who have proved consistently successful despite their refusal to make videos and to follow standard (highly expensive) marketing techniques. Other labels such as Mute (with Depeche Mode) and Factory (with New Order) continue to demonstrate the ability of the independent sector to produce and, more important, to retain successful groups.

A relative newcomer in the sector is the distributor Making Waves, a company which



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specialises in jazz, blues and folk music, and which is set to reach a turnover of over £1 million during 1985. Like other independent distributors the company has benefited from the changing policies of the major retail chains like W. H. Smith which are expanding the range of products they carry to include non-chart material so that they can broaden their customer profile.

To give an indication of the kind of music that is threatened by the sharp decline in the independent market we reproduce the Indie chart from *Music Week* for the week ending 9 November 1985.

The Independent Record Manufacturers

Record pressing is overwhelmingly centred in London and the home counties which have about 92% of total capacity. 67% of capacity can be found in the majors' three plants - including EMI's in Hayes and Phonogram's plant in Walthamstow. The remainder is run by independents such as Damont and Lyntone which are generally not connected with labels or distributors.

Despite the closure of four manufacturing plants over the last five years there is evidence to suggest that there is still overcapacity. The market remains highly price competitive.

Current capacity runs to about 124 million 12in records and 114 million 7in. However many record companies now use the services of the large European pressing plants. A major factor behind this is the higher quality offered by many continental plants (an important factor in record pressing).

Outside the majors, in Britain presses are run for the most part on a shift system, with a minimum of skilled labour and a large floating part-time workforce of unskilled casuals, who are called upon when there's a hit record to press. The net result is inefficiency. In France an independent record pressing plant tends to be cleanly and efficiently run by a fixed, skilled workforce. (The plant described is Aerecem, a workers co-operative since 1978 when, after it went bankrupt under private control at the onset of the recession, the plant was re-opened with help, including a three year tax concession). This is a direct result of French employment policies, which have sought to eliminate excessive shift and overtime work where possible. The result is a factory with higher labour costs but with a far greater efficiency. A further benefit of a skilled workforce is better quality pressings, which is very important if one's clients are the new independents, who are far more sensitive about pressing quality (in great part because their customers in turn are concerned with matters of record quality). Also in Europe, unlike the UK

(where the factories simply wouldn't be clean enough), sleeve production and printing tend to be done under the same roof as record manufacture. Thus, despite the greater distance, custom pressing abroad can be favourably compared to pressing within the UK in terms of speed; and the quality is better. From this perspective, only a change in the relative values of the franc/mark and the pound to the continued disadvantage of the pound would make custom pressing abroad less attractive.

British independent manufacturers have said "times are tough", but that they themselves were OK, and complained about the energy subsidies (power costs are substantial in the manufacture of records) available to their independent European competitors which make it impossible for them to compete on 'quality for the price'. They have also complained about the silly prices factories like Sonopress are quoting. One independent manufacturing plant is up for sale and there are strong rumours that a second may be.

The market for pressing, like the record market in general, is highly seasonal with the peak coming during the autumn. We estimate that despite overall overcapacity, at peak times capacity roughly matches demand.

Because of the imminence of major changes in record technologies sweeping the market few plants are interested in investing in new machinery. Instead black vinyl is set to experience a long decline as the market continues its move towards cassettes and compact discs.

Cassette Duplication

The sales of pre-recorded cassettes are the only absolute growth point in the British record market (see Table 1). There are several reasons for this. Prices of pre-recorded cassettes have fallen relative to that of albums - similarly the price of cassette duplication now approximates the cost of manufacturing a 12" record. Cassettes are more portable than records, a factor which has taken on an added significance following the introduction by Sony of the Walkman and the development of micro Hi-Fi units. The quality of reproduction on a cassette also now more closely approximates that of an album.

At present there is an estimated cassette duplicating capacity of 45 million units. Set against this, trade deliveries (March 1982 - March 1983) were 31.6 million and in 1982 8.5 million cassettes were imported into the UK. Thus, assuming continued growth, there is at the moment a rough equality between cassette capacity and the demand for cassette duplication. However, by all accounts, there is significant hidden capacity amongst the

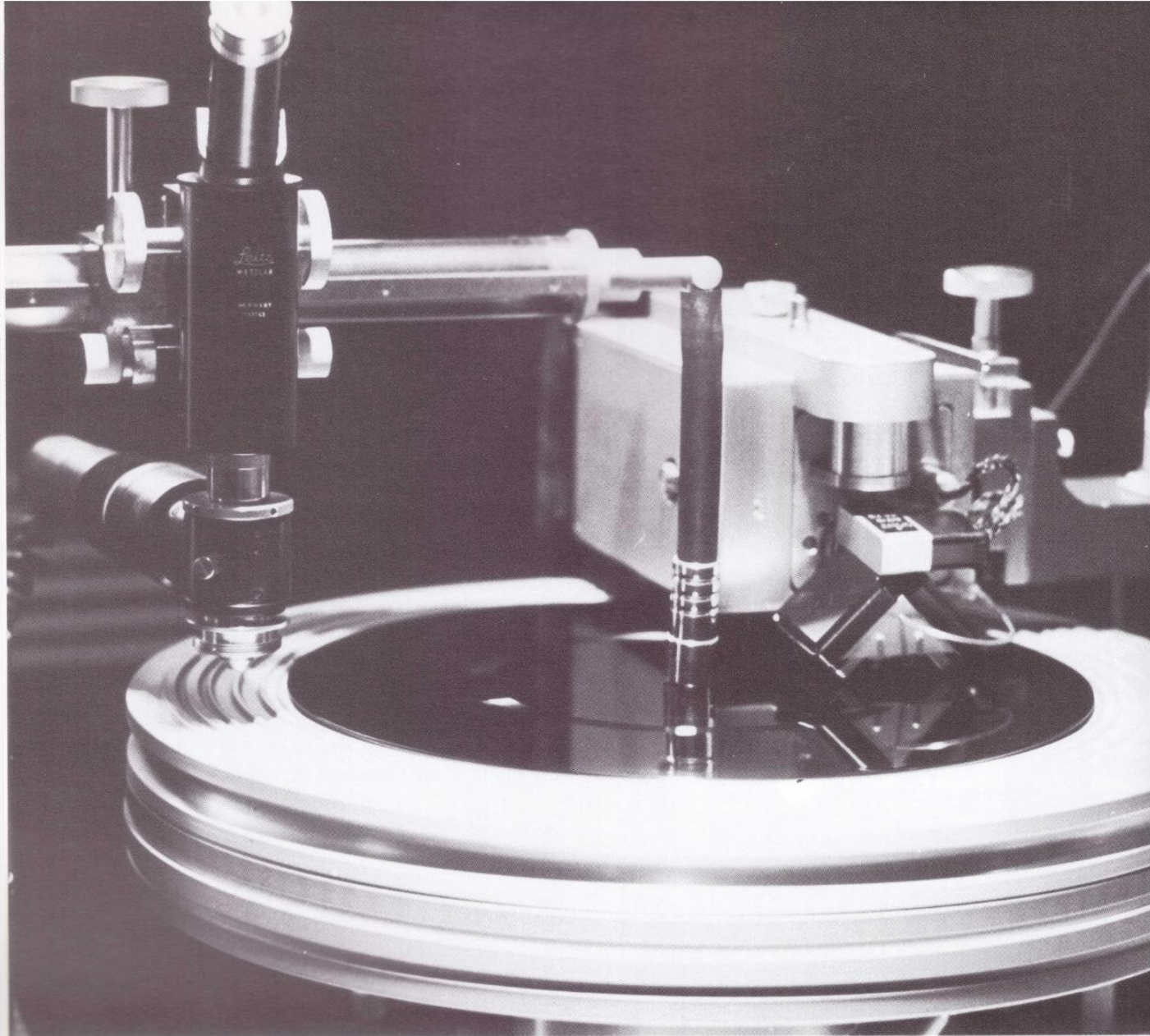
NEW RELEASES

TOP · SINGLES

TOP · ALBUMS

9 November, 1985

1	RAIN	1	LOVE
2	THE BATTLE CONTINUES (EP)	2	THE SINGLES 81 — 85
3	THE BOY WITH THE THORN IN HIS SIDE	3	ONE POUND NINETY NINE — A MUSIC SAMPLER
4	THE WIND OF CHANGE	4	DREAMTIME
5	IT'S CALLED A HEART	5	RUM, SODOMY & THE LASH
6	CRUISERS CREEK (LA)	6	FLIP YOUR WIG
7	SHE SELLS SANCTUARY	7	THIS NATION'S SAVING GRACE
8	DAY AND NIGHT	8	HATFUL OF HOLLOW
9	V2	9	FALSE ACCUSATIONS
10	BLUE MONDAY	10	MONKEY'S BREATH
11	ALL DAY LONG	11	SEVENTH DREAM OF TEENAGE HEAVEN
12	BUBBLING	12	LIFE'S A RIOT WITH SPY VS. SPY
13	TOWER BLOCK ROCK (EP)	13	NATIVE SONS
14	FLAG DAY	14	THERE ARE EIGHT MILLION STORIES
15	THE PERFECT KISS	15	NIGHT OF A THOUSAND CANDLES
16	CAN YOUR PUSSY DO THE DOG?	16	LOW LIFE
17	YOU ONLY LIVE TWICE	17	MAXIMUM SECURITY
18	REVOLUTION	18	THE SMALL PRICE OF A BICYCLE
19	MAKES NO SENSE AT ALL	19	MEAT IS MURDER
20	IRONMASTERS	20	LIVE AND JUMPING
21	WHEN IT ALL COMES DOWN	21	TREASURE
22	PRIMITIVE PAINTERS	22	SMELL OF FEMALE
23	PEARLY DEWDROPS: DROPS	23	GOTTA LET THIS MEN OUT
24	RESURRECTION JOE	24	HALBER MENSCH
25		25	IGNITE THE SEVEN CANNONS



Record pressing. Why do the 'independent' labels always have to stand at the back of the queue?
(Photo: EMI)

independent manufacturers (who have 50% of the cassette duplicating market). When in the mid-seventies, the cassette seemed about to supplant the disc, many independent manufacturers geared up for a revolution that is only now occurring.

In contrast to record manufacture, where the volume is decreasing and seems likely to continue to do so and unit costs are wildly variable between competing manufacturers, the pre-recorded cassette market is a stable, growing one in which prices vary little between competitors. Moreover cassette duplication is a clean industry – unlike record manufacture it could be sited next to the Palace of Westminster – and the machines in use are mostly modern. More importantly, all the indications are that cassette sales will continue to grow in the foreseeable future. Indeed there might even be a market for the manufacture of cassette tape in the UK. Following the closure of the EMI tape factory (which made some 6%

of the blank tape sold in the UK) virtually no blank tape is made in the UK. But if cassette duplication accordingly seems to be a reasonable area of expansion, especially for a company significantly involved in the threatened area of record manufacture, it is the compact disc that has captured the imagination of the manufacturers and would-be manufacturers of recorded music.

The Compact Disc

The compact disc, a format that uses digital encoding in place of analogue vinyl, was launched in the UK in March 1983. It is now widely expected that because of the disc's sound quality and durability it will replace analogue systems in the near future.

However, the disc's initial performance was not encouraging. Sales targets for Philips and Sony (the main manufacturers) were not met in 1982 – an estimated 13,000 players were sold rising to about 20,000 in 1984 – with Sony taking 60% of the market. Deliveries of discs were about 230,000 in 1983 with rapid increases expected for 1984 and 1985. A major problem has proved to be the

availability of software. When CD was launched there were only 200 titles available increasing to only 600 in the summer of 1984, with a strong bias towards classical music. This problem parallels those met by other attempts to change hardware purchasing patterns such as the video disc. A further barrier to the expansion of CD has been the cost of discs, between £10 and £15.

When CD was launched there were only two production plants in operation, Polygram's in Hanover and the CBS/Sony plants in Japan. The first plant in the UK was opened by Nimbus, the record and tape duplicator, at a cost of around £2 million. The plant will produce 3 million discs each year by the end of 1985. As in other areas it is notable that it has been an independent rather than the majors which has taken the risk. More recently, Philips has declared its intention to convert its Blackburn analogue plant to CD. Plans are also underway to set up a disc pressing plant (with capacity for 8 million discs per year) in southern England under Roy Matthews, the former boss of EMI's record plant at Hayes.

A significant problem for CD manufacturers has been the need to maintain absolute cleanliness and freedom from vibrations. This may well preclude London from involvement in CD manufacture.

As prices of hardware and software fall CD is bound to increase its share of the market. Opinion varies greatly as to how fast this will occur. Meanwhile other technologies such as

Sony's 3 hour mini-cassette are coming onstream.

Table 9 shows one prediction of how the market will develop as CD takes hold.

A GLC Strategy

For the GLC the main aim has been to take advantage of the increasing fragmentation and diversity in the music market, whether it be in the form of the new African music scene, in heavy metal or in early music. This provides the possibility of greatly expanding the independent sector and offering more people and more cultures access to the means of reproduction and distribution. To do this, creating new jobs and increasing choice, we have to look at areas like distribution, marketing and retailing, to make sure that they do more than reinforce the power of the chart-oriented majors. As part of this strategy GLEB and the GLC are already beginning to make investments in these areas to support the independent sector as a whole.

In the last few years Britain has developed a vital and pluralist music culture based on the independent record industry. To combat the damaging economic and cultural consequences of transnationalisation and keep more local control over cultural change this sector must be supported.



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Table 9. Progression of the recorded music market through to 1990

£m	7" singles	12" singles	LP records	Pre-rec. cassettes	Compact discs	Total
1983	62.1	35.5	233.4	157.2	2.8	491.0
1984	58.0	42.3	227.7	179.9	9.4	517.3
1985	52.5	47.9	213.2	201.2	20.0	534.8
1986	47.5	53.8	195.6	215.2	48.0	560.1
1987	44.0	58.0	175.0	230.0	120.0	627.0
1987	44.0	58.0	175.0	230.0	120.0	627.0
1988	42.0	61.0	160.0	240.0	240.0	743.0
1989	41.0	63.0	150.0	240.0	320.0	814.0
1990	40.0	65.0	140.0	230.0	390.0	865.0
% change						
1983						
1984	-6.6	19.2	-2.4	14.4	235.7	5.4
1985	-9.5	13.2	-6.4	11.8	112.8	3.4
1986	-9.2	12.3	-8.3	7.0	140.0	4.7
1987	-7.4	7.8	-10.5	6.9	150.0	11.9
1988	-4.5	5.2	-8.6	4.3	100.0	18.5
1989-2.4	3.3	-6.3	—	33.3	9.6	
1990	-2.4	3.2	-6.7	-4.2	21.9	6.3

Source: Euromonitor.



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In parallel with the industry itself it is also important to look at other media, such as radio and, particularly in the age of the cable music channel, at television. Both play a critical role in attempting the shape demands for music. Yet in London and elsewhere the strength of the pirate radio stations demonstrates how many cultural needs are failing to be met. In the medium term pressure must be maintained on radio stations and cable operators to ensure that local and independent musics can get access to these media. It will also be important to avoid the implicit racism of cable channels such as MTV. If MTV can get away with it in the USA, which has much more powerful and highly developed black owned record companies than the UK this may prove a major problem.

Finally, it is important that the GLC and other bodies continue to subsidise live performance of popular culture as the economics of performance make it ever more expensive. Live performance and festivals help to define the identity of musical culture, and its relation to communities and communities of interest in a way that radio and television cannot equal.

Developments in the music industry raise issues of both economic and cultural control.

The transnationals which control the UK and world music industry are restructuring in response to the worldwide recession in record sales and the changes in technology (in CD and Pop-video). One result is the trend towards the creation of European centres for record and cassette manufacture at the expense of national, often British plants. Another, as the WEA/Polygram merger illustrates, is the concentration of distribution. Both trends have produced and are likely to continue to produce job losses in London, not only directly, but indirectly for graphic designers, musicians etc.

Britain has developed in the last few years a vital, pluralist musical culture linked to the independent record sector. If we are to combat the damaging economic and cultural consequence of trans-nationalization and keep more local economic and cultural control over developments in the music then we must adopt a strategy of support for this independent sector.

Such a strategy requires:

- Investment in independent record distribution, marketing and promotion agencies, particularly those geared to specialised local and cultural needs;
- Support for 'trade bodies' serving the independents and musicians such as the Black Music Association;
- Support for the emerging sector based on community recording studios through training schemes, help with distribution etc.

- Investment in venues, and the use of existing public venues from the South Bank to town halls as venues for popular musics;
- Support for community radio stations which contribute to local and independent musical culture;
- Work with educational authorities to widen access to the new technological skills of music production and recording, to go alongside existing musical tuition.

Any strategy needs to avoid becoming too programmatic. In the longer run what is needed is cooperation between musicians, the record industry, local authorities and trade unions to develop common policies which can translate the cultural success of British popular music culture into jobs and independence from the multinationals.

CHAPTER 3

FILM, VIDEO, TV and CINEMA

Chapter 3

FILM, VIDEO, TV and CINEMA

Simon Blanchard

grain' details of the calculations may also wish to consult the original reports. Copies of these have been deposited in the British Film Institute Library, and at the National Office of the Independent Film and Video Makers Association.

Employment Summary

The estimated total employment of the sectors discussed is 50,000 people. This is direct employment, and made up as follows:

To this can be added various other 'pockets' of employment not examined, e.g. the staff of trade associations and journals, London staff of other regional ITV contractors, ILEA schools TV, Head office staff of trade unions, Media civil service, Preview theatres, Film schools, Audience research etc., bringing the figure to the total above.

Turnover Summary

The estimated total turnover of the sectors discussed is around £1,033.5 million. This calculation is dependent on ignoring the differences in accounting years for the organisations involved, and is made up as follows:

Table 2. Turnover

	£	
Cinema box office	38.5m	(1981)
Feature Film production	230.0m	(1982)
Channel 4	30.0m	(to March '83)
TV commercials	100.0m	(1982)
Radio commercials	6.0m	(1982)
Video	60.0m	(1982)
Thames TV	122.0m	(to March '82)
LWT	76.0m	(to July '82)
BBC TV	241.0m	(to March '82)
BBC Radio	83.0m	(to March '82)
Capital	14.0m	(to Sept. '81)
LBC (inc. IRN)	4.0m	(to Sept. '81)
ITN	20.0m	(to March '83)
BFI	9.0	(to March '82)
	1,033.5m	

The above total is likely to be an *under*-estimate, since it excludes e.g. TV-am, Satellite TV, and the COI budget, as well as the other 'pockets' of employment mentioned above.

Output Summary

The estimated annual output in the following categories can be identified:

Employment, turnover & output

Summaries

The following three tables bring together in summary form the employment, turnover and output figures which could be identified for the various sub-sectors of the audio-visual economy of London.

In most cases, a further discussion – setting out the basis on which the figures have been arrived at – is contained in the main body of the text below. Readers interested in the more 'fine

Table 1. Employment

Cinemas	2,702
Independent Film & Video Production	3,300
Independent Facilities	6,090
Video Rental etc	11,000
Thames TV	2,200
LWT	1,706
ITN	800
Channel 4	220
IBA	325
Capital	148
LBC	161
BBC	19,500
BFI	430
COI	103
Satellite TV	24
TV-am	300
	49,009



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Table 3. Output

268,000 cinema performances seen by 18.25 million people	(1981)
51 new feature films	(1982)
29 Million video-cassette rentals, seen by c. 60 million people	(1982)
5,434 hours of Thames TV/LWT	(1983)
9,662 hours of BBC network TV	(to March '82)
29,389 hours of BBC network radio	(to March '82)
3,200 hours of Channel 4	(to Nov. '83)
6,000 TV adverts	(to March '82)
8,323 hours of Capital	(1983)
8,760 hours of LBC/IRN	(1983)
5,200 hours of BBC Radio London	(1983)

For TV and radio the figures above are for hours of output *transmitted*. As discussed in the relevant sections, this includes varying amounts of material made outside the London area.

The broadcasting totals do not include Breakfast TV.

Independent production

There is a basic minimal sense in which all film and video production which is *not* 'in-house' for BBC or ITV can be classified as 'independent'. This negative catch-all category can be split up more specifically in the following ways:

- a. Films made primarily for the world cinema exhibition market.
- b. Various kinds of 'independent' production for TV, especially Channel 4.
- c. Advertising commercials for ITV and cinemas.
- d. A sizeable 'miscellaneous' category of 'sponsored' production - industrial/training, scientific, video 'pop promos', etc.

Whilst the above categories can be useful for the purpose of analysis, it is necessary to stress that - from both the production and facility company standpoint - these organisations, even if specialising in particular areas, will frequently be involved in financing or servicing production under several of these headings.

Moreover, the work produced will - over its distribution life cycle - be seen by distinct audiences via several media systems: cinemas, video-cassette, broadcast TV, and, in prospect, satellite and cable.

Feature Film Production

Under the relevant legislation (3), as administered by the Dept. of Trade, film production is classified as British if it meets the following conditions:

1. The maker must be a British subject, an EEC member state citizen, or a Commonwealth citizen. This does *not* exclude the possibility of the finance for the film coming from non-British sources. Moreover, the production company can be a subsidiary controlled by non-British interests, to whom it has ceded the rights of ownership and exploitation, as long as the subsidiary is responsible for actually undertaking the arrangements which are necessary to make the film.
2. Not less than 75% of the labour costs of the film have been paid to: British subjects, EEC member state citizens, or citizens of the Commonwealth or the Republic of Ireland.
3. The studio used, if any, must have been in the UK, another Commonwealth country, or the Republic of Ireland.

In addition, in the case of productions meeting the above criteria, but where more than 20% of the film was shot outside the UK, the distributor eligibility for payments from the 'Eady' levy fund is diminished on a sliding scale, *unless* the following conditions are met:

1. The preparations for making the film have been carried out as far as practicable in the UK
2. The normal laboratory processing work for the film has been carried out in the UK.
3. At least 50% in terms of value of the technical equipment used in making the film has been provided from the UK.

Until recently, these criteria have been applied for two main purposes: a) the setting of a quota for UK exhibitors in relation to 'British' films, and b) the allocation of payments to distributors from the 'Eady' fund. (4)

As the Cinematograph Films Council noted in their Annual Report for 1981 "... for many years now there has been no prosecution for failure to achieve quota ...", and this requirement has now been suspended, leaving payments from the 'Eady' fund and various tax concessions - discussed below - as the major incentives for registration as 'British'.

'Eady' funds are distributed by the British Film Fund Agency in proportion to the eligible films' earnings in Britain. There is a limit on total payments from the Fund of £500,000 in the case of long films (i.e. those over 33½ minutes). The amount payable to makers of 'British' films or their nominees in the 56 week accounting year to October 1981 was a total of just over £4.5 million. (5)

The lack of reliable information about film production in the UK has been a regular matter for complaint. (6) In its continued absence, discussion of the effects of such criteria of 'Britishness' on the use of British technicians and 'facility' companies is not possible in any great detail. Details from the *Screen International* surveys for 1981 and 1982 are included below. The following general points can be made:

1. The bulk of this (generously defined) 'British' production is serviced from London. The area contains the five UK film studios of any size, as well as almost all the film processing labs and 'facility' companies servicing these productions, whether based in a studio or on location in the UK/abroad.

2. There is a considerable weight of opinion within the industry which regards the UK's position as a base within the world commercial film production market (and hence the level of 'British' production in any given year) as determined *primarily* by two factors:

a. Fluctuations in the dollar/sterling exchange rate

b. UK government policy on the tax regime applied (through the Finance Act & the Inland Revenue) to film production, under which 'British' films are now treated as 'plant and machinery', thus allowing scope for claiming first year capital allowances, and various leasing schemes.

As regards these two mechanisms, a, is obvious enough - the US remains *the* global centre for production finance. As for b., these arrangements in their current form date from March 1982, and are still the subject of government/trade association discussion as well as Treasury review. (7) Although the growth of equipment leasing and capital allowance provisions has become an issue of increasing importance since the 1960s, their novelty in film production has meant that the effects are only now becoming the subject of wider interest and remain difficult to assess. (8)

Nonetheless (although the evidence remains impressionistic) it seems to be the case that the volume of private sector funds now flowing into 'British' film production has been increased as a result of these measures.

The trade off between these government fiscal initiatives and the greater volatility of production finance implicit in the abolition of exchange controls would be worth investigating - at the very least the issues at stake highlight the central role that the government continues to play in conducting (if only by default) various 'smoothing operations' on the overall level of film activity that can be classified as 'British', activity which is very largely a London based phenomenon.

The annual production survey done by *Screen*

International provides a useful indication of the overall scale of this feature film production activity. The figures below on British based or serviced films exclude a small number of mini-budget 'exploitation' films made during each year.

Table 4. Feature Films Registered (over 72 minutes)

	British	European Community*	Foreign
1945	40		191
1950	74		308
1955	82		268
1960	79		254
1965	69		233
1970	85		275
1971	90		286
1982	89		297
1973	80	80	220
1974	78	94	230
1975	70	59	212
1976	64	72	202
1977	42	84	192
1978	51	61	174
1979	40	40	194
1980	41	38	178
1981	32	27	193

*EEC films registered before 1972 are included in the total for foreign films.
Source: Films Branch, Dept. of Trade.

Independent Film and Video Production and facilities

Broadcast magazine's 'Production Guide' for 1982/83 lists 530 film and video production companies in the Greater London area. This includes the bulk of the 'independent' production categories A-D outlined above. However, comparison with other sources (9) suggests that this listing slightly under-registers a stratum of feature film producers and financiers, as well as some of the developing video-tape production sector - pointing to a revised total figure of approximately 600 production companies.

The *Broadcast* Guide also lists a roughly equivalent number of facility companies (including the major film studios and film labs). However, the two totals cannot be simply added together since they contain a substantial proportion of companies with entries in both the 'production' and 'facility' areas - a reflection of the mixed activity referred to previously.

As a working assumption, it can be estimated that there are around 300 facilities companies based in London (including the film labs and



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Video hire in the High Street – the bubble that burst? (Photo: GLC)

studios) primarily involved in servicing the 600 companies principally involved in production.

Of the 600 production companies, probably at most 25% (i.e. 150) are handling the bulk of the independent film and video output (in categories A–D). If these 150 each employ an average of ten people each, and the remainder employ an average of four people each, this gives a total of 3,300.

As for the facility companies, employment figures were identified for the following:

Pinewood Studios	650
EMI Elstree Studios	100
Shepperton Studios	30
Twickenham Studios	40
Lee International Studios	30
Molinare	160
	1,010

To this can be added an estimated 3,000

people (including clerical/admin. staff) employed in the film labs (ten), and the estimated 350 involved in video duplication (see the separate section on video). These two sub-sectors account for around 30 companies

Assuming a slightly higher average employment (compared to production companies) in the other c. 260 facilities – say eight people per organisation – gives a total of 2,080 people.

This makes an overall total of:

1,010

3,000

350

2,080

6,440

*Included here for purposes of consistency. The figure is accounted for in the video employment total under the employment summary.

The Commercial Cinema in Decline

Commercial film distribution and exhibition

The recent Report of the Monopolies and Mergers Commission (MMC) on 'the supply of films for Exhibition in Cinemas' (11) provided a useful review of the current structure.

There are 35 companies actively engaged in film distribution. The six largest, who receive over 90% of all film rentals are:

Columbia-EMI-Warner

United International Pictures (formerly CIC and United Artists)

UK Film Distributors (formerly 20th Century Fox and Disney)

ITC Film Distributors

Brent Walker Distributors

Rank Film Distributors

Out of the total film rentals paid by exhibitors in 1981 (just over £41 million), the major share went to:

Table 5

	% of total film rentals (1981)
Coi-EMI-WAR	39.2
UIP	27.2

This confirms the analysis made by the Fifth Report of the Interim Action Committee on the Film Industry, who noted that '... the distribution industry in this country is dominated by consortia of mainly American owned distributions.' (12) The percentages show that US majors control not less than two thirds of film rental receipts in Great Britain. (If UK Film Distributors were added - although the MMC gave no details of their share - this figure would probably rise to around 75%).

As the MMC put it, 'the outstanding feature' of

Table 6

	% of total GB rentals paid
EMI 119 sites/308 screens	32.3 (1981)
Rank 85 sites/225 screens	24.7 (1981)
Cannon Classic	8.0 (1980)
Star Group 49 sites/126 screens	6.3 (1980)

(The balance of the rentals paid is accounted for by the many independent cinemas and minor circuits).

the exhibition structure is that 'it is effectively dominated by two companies', namely EMI cinemas (part of Thorn EMI), and Rank Leisure (part of the Rank Organisation). There are in addition a number of 'mini-majors' owning smaller chains. The MMC reports the shape of this sector as follows:

The control of distribution and exhibition by the majors is cemented by the system of 'alignment' of distributors with the main circuits. The MMC provide the following details for the main suppliers to EMI and Rank:

Table 7A

	% of rentals paid by EMI cinemas in 1980 to
1. EMI	
CIC	38.2
UA	2.7
CEW	30.7
Other distributors	28.4

Table 7B

	% of rentals paid by Rank cinemas in 1981 to
2. Rank	
Rank FD	11.3
CEW	21.1
CIC	5.4
UA	27.8
Other distributors	34.4

The interlocking oligopoly of distribution and exhibition that this structure represents ensures that the overwhelming bulk of the films seen in cinemas open to the public are supplied by the US majors, or by other distributors handling English language films in a 'Hollywood' idiom.

The decline in commercial cinema exhibition

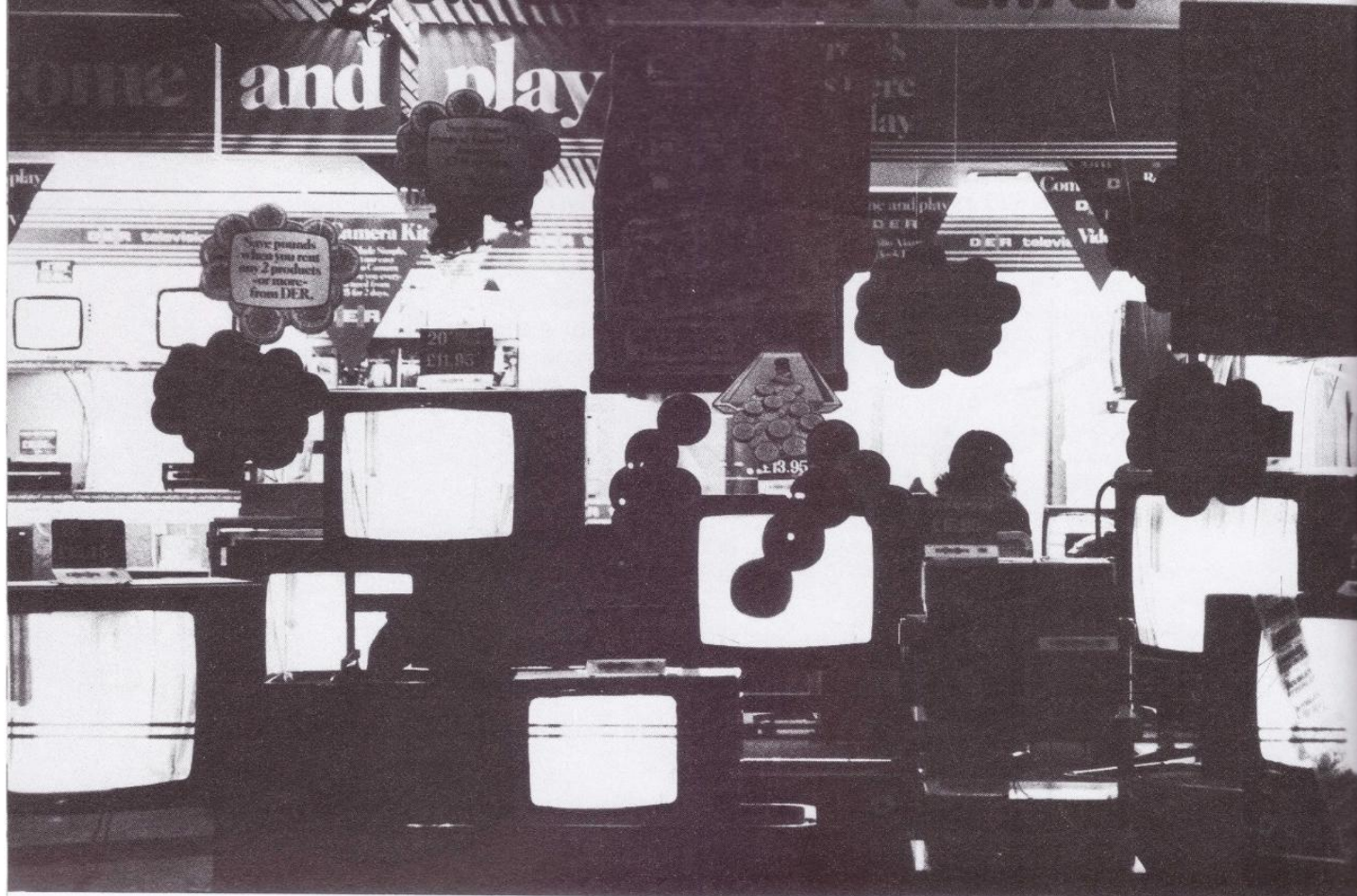
As the accompanying tables illustrate, cinema exhibition has undergone a process of almost unbroken decline from its post-war peak. Annual admissions have now dropped to just over 60 million for 1982 (13) - around 3.5% of the 1946 figure (just over 1.6 billion).

This extended downward trend in the number of cinemas, the numbers employed in them, size of box-office takings etc., has now reached the stage in which the process of steady but stately decline which has been the sector's fate since the early 1960s looks set to accelerate into more or less complete collapse.

There now exists a distinct possibility that one or more of the main circuits could decide to cease operations altogether, or at least very drastically reduce its activities down to a core of



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TV sets – the main exhibition site in the 1980's. (Photo: Sally McLeay)

Table 8. Number of cinemas in GB

Year	Number	Year	Number
1946	4,709	1966	1,847
1948	4,694	1968	1,631
1950	4,660	1970	1,529
1952	4,609	1972	1,450
1954	4,509	1974	1,535
1956	4,349	1976	1,525
1958	3,864	1978	1,519
1960	3,034	1979	1,564
1962	2,421	1980	1,562
1964	2,057	1981	1,514
		1982	1,432

Source: Dept of Trade

Table 9A. Household expenditure on entertainments in GB 1953-54 to 1980

	%			
	1953-54	1965	1975	1980
Cinema admissions	0.99	0.32	0.13	0.11
TV licences & rental; radios, TV sets & musical instruments	1.13	1.90	2.77	2.40
Theatre, sport & other ents.	0.89	0.61	0.68	0.84

Source: Family Expenditure Survey

prime city centre sites. According to the MMC, Rank - for example - had closed 31 sites with 42 screens between October 81 and December 82. Rank provided the MMC with accounts to show the financial performance of all the individual cinemas in its circuit.

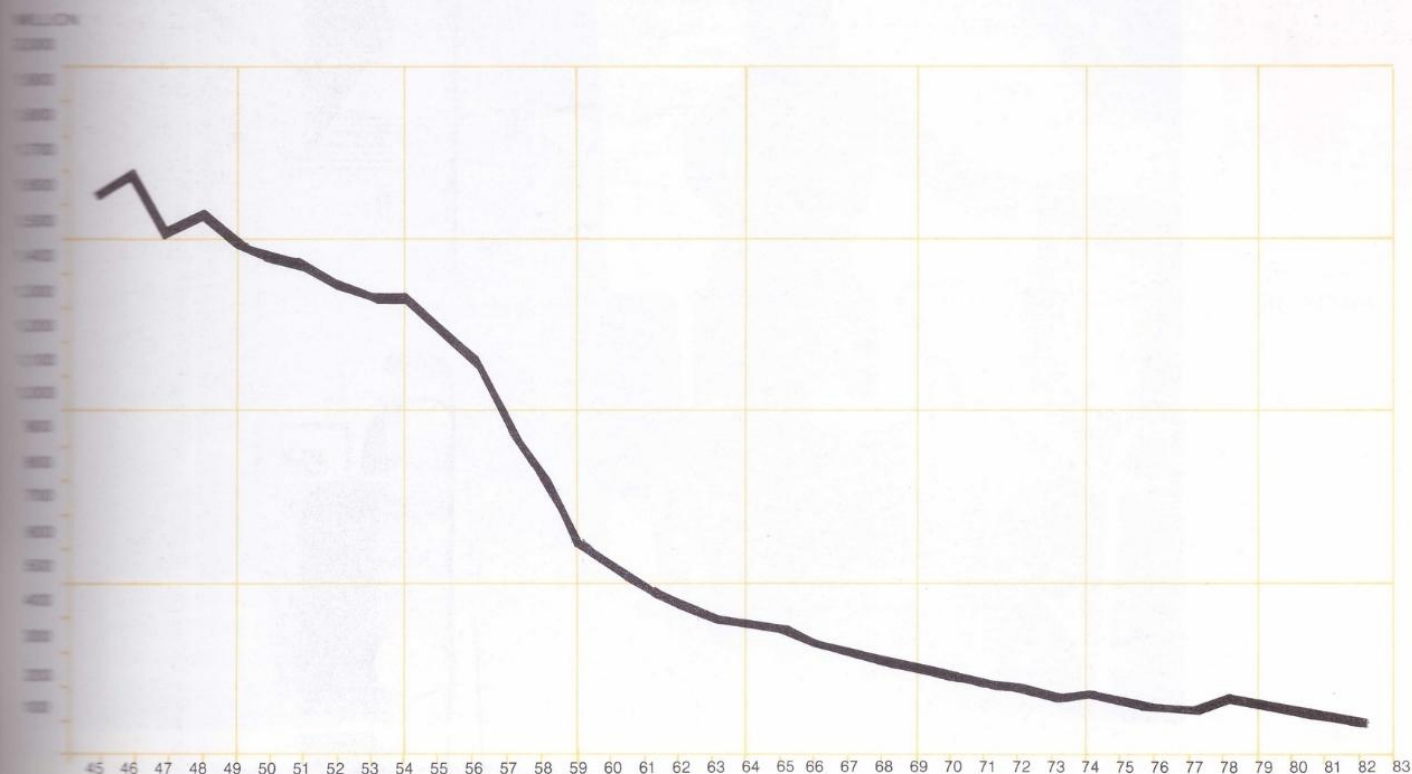
These showed that, to the year ended 31 October 82, the proportion of its cinemas which were in loss before head office overheads were taken into account was just over 26% (As the MMC point out in passing, the conglomerate's film business is now in any case a very small part of its activities – providing 5.5% of trading profits in 1976).

Cinema attendances in Great Britain: 1945-82

Film exhibition in London

From a mainstream standpoint, London is the premier region for cinema distribution and exhibition in Britain. In 1982 cinemas in the GLC area accounted for just under 29% of the gross box office takings in Britain (£30.8 million). This was over three times the size of the next biggest regional share – Scotland with gross takings of £9.97 million.

Table 9B
Cinema attendances in Great Britain: 1945-82



All the major distributors and cinema chains have their head offices in the GLC area (mostly in Wardour St), as well as their 'show-case' West End venues. The size of the cinema public in London meshes with the London bias of national press and broadcasting organisations, and the promotional campaigns of distributors to make this area the most strategically decisive for film circulation. Put crudely, how 'well' or 'badly' a film works in London largely decides its chances elsewhere around the country.

A measure of the overwhelming importance

Table 10A. Cinemas – GLC Area

	No. of Cinemas	Admissions
1970	231	44,435,000
1971	232	40,999,000
1972	208	35,152,000
1973	223	29,097,000
1974	228	30,291,000
1975	234	25,419,000
1976	235	22,635,000
1977	246	22,341,000
1978	257	26,629,000
1979	261	23,815,000
1980	253	20,777,000
1981	258	18,239,000
1982	242	13,880,000

Table 10B. Cinemas – GLC Area

	No. of Persons employed		
	Full-Time	Part-Time	Total
1972	2,230	2,142	4,372
1973	1,937	1,804	3,741
1974	1,826	1,874	3,700
1975	1,711	1,779	3,490
1976	1,573	1,855	3,428
1977	1,511	1,686	3,197
1978	1,553	1,712	3,265
1979	1,394	1,907	3,301
1980	1,413	1,522	2,935
1981	1,313	1,389	2,702
1982	1,289	1,110	2,399

which distributors and exhibitors attach to London's cinema audiences can be seen for example in the print release pattern for 'Superman II'. This was the most successful film of 1981 in terms of box office takings.

Columbia-EMI-Warner - the distributors - had over 240 prints of the film in circulation around Britain by the third week, with over 50 of this total deployed in the London suburbs alone. It should be noted that the MMC defined 'London suburbs' as 'cinemas in the GLC area, but outside the West End'. In other words, the GLC share of the 240+ peak print allocation will have been higher than 54.



Albany Video – one of the best community video projects working in production, training and distribution. (Photo: Sally McLeay)

Trends in London

London's strategic significance has not, however, insulated it from the long-term trends outlined above. As the accompanying tables show:

- The audience for films in London's cinemas has dropped by nearly 69% (1970-82).
- The number of people employed in cinemas has declined by 45% (1972-82)
- The total seating capacity of the remaining auditoria has been reduced by over two thirds (64.5%, 1970-82)

In 1982 alone, attendances went down by 24% of the 1982 figure, 16 screens closed and over 300 jobs were lost.

Causes of decline

1. Broadcast TV.

The rise to prominence of TV, both as a 'domestic capital good' and as the central object of 'leisure' time is a key aspect of post-war British politics. In the present context, its significance has been twofold:

a. It demonstrates the main paradox underlying the cinema's decline - namely its coexistence with the undiminished popularity of films as a category of audio-visual production. The British Film & TV Producers Association have calculated that in 1981 BBC and ITV broadcast a total of 951 films. (14)

b. TV's capacity to attract the attention of the

population for around 20 hours per week on the average is not only in large part the result of broadcasting films, but is also the clearest possible illustration of the pivotal role that distribution occupies in the circulation of audio-visual material. Whilst it may be a polemical simplification to say, as the Interim Action Committee have done, that '... Broadcasting is only a method of distribution', this is undoubtedly its most important characteristic (15). Moreover, with TVs present in over 98% of all households, broadcasting offers scale economies that cinemas cannot hope to match. It has been estimated that the cost to the average viewer of receiving BBC or ITV broadcasts is about two pence per hour. This is much the same as the costs of the set. (16) (In contrast, cinemas have not responded to this price competition by holding ticket prices steady or reducing them: since 1955, the real price of admissions in Gt Britain has risen over 2.5 times).

Barb weekly average viewing per head

Indices of real prices of cinema admissions, relative to the representative retail price indices in Great Britain, the United States and Western Europe (West Germany, Holland, France, Italy and Belgium)

2. Changes in the composition of the audience.

Cinemagoing is no longer the largely unsegmented 'mass' activity it had become in the 1940s. The cinema's audience is now distinctly skewed in favour of the young, the better-off, and the male sex. Although different surveys produce some variation in results, the following breakdown shows the main pattern: (17)

a. The 15-34 age range accounts for 74% of the cinema audience. (It forms 34% of the population).

b. So-called ABC1s form 48% of the cinema audience, C2DEs form 52%. (They form 39% and 61% of the population respectively).

c. The average cinema audience is 53% men, 47% women. (The population is 52% women, 48% men).

It remains arguable to what extent distributors and exhibitors have been, on balance, the active promoters of these changes in the cinema audience. One area in which their active role seems reasonably clear is bingo-clubs.

The passage of the 1960 Betting & Gaming Act provided the impetus for bingo-playing by stipulating that members of clubs could gamble. Since then, many cinema owners have taken the decision to convert their premises to this frequently more profitable line of business. The Gaming Act 1968 was subsequently passed to ensure closer control over what one commentator had called '... the greatest gambling boom outside the State of Nevada' - a boom in which bingo was only a part. The Gaming Board, set up under the terms of the 1968 Act, sets the licensing framework within which bingo clubs operate, and monitors trends in the sector. (18)

At the end of 1982 there were 1,451 bingo clubs operating in Britain. For the year ending 31 August 1982, the total amount staked on bingo in these clubs was £469 million. (By comparison, the gross box office takings at cinemas in 1982 was £107 million.)

Both Rank and EMI now own a substantial number of bingo clubs. Five major operators control some 25% of the clubs, and probably receive a rather larger proportion of the total revenues:

Table 11

Club ownership of the five main bingo operators (1980)

Mecca	123
Rank	69
EMI	103
Ladbroke	71
Granada	35

Source: Dixey & Talbot, 1982

The Gaming Board estimate that average daily attendances at the clubs in 1982 was 358,550 (equal to a weekly attendance of 2,509,850).

In their recent survey, Rachel Dixey and Margaret Talbot have shown how the bingo-club audience is skewed in approximately the opposite pattern to that now found in cinemas. Their national survey was based on over 7,000 players in nine regions around Britain. They found that 82.5% of the players were women, with an average age of 52.5 years. On average women players had started to play at the age of 38. For 71.2% of the sample bingo was the main leisure activity outside the home.

Given this relative segmentation of cinema's audience, demographic trends are a more general source of pressure on attendances.

According to the Office of Population Censuses and Surveys the number of people of pensionable age is projected to increase by 9% (800,000) between 1979-2011. Moreover, "... women, with their greater life expectancy now outnumber men at all ages higher than about 50, and the proportion of women in the population therefore increases with age. Generally some two thirds of people over the retirement ages are women." (19)

By contrast, OPCS projections at the other end of the age structure - 15 to 19 year olds - is for a decline of around one million by 1991 from the 1982 peak of around 4.7 million. (20)

3. Video

For a time, in the 1970s, it looked to some commentators as though cinemas had begun to find a stable minority position alongside

Table 12. VCRs

	VCRs in GB	% of households
December 1980	0.5 million	2.5%
December 1981	1.5 million	7.5%
December 1982	3.2 million	15.9%
December 1983	5.0 million	24.9%
December 1984	6.5-7 million	34%

broadcast TV: annual attendances went up (in 1974 and 1978) for the first time since the late 1940s. However, this slight levelling off was not sustained, and the downward spiral continued.

A key aspect of this continued pressure on cinemas has been the rapid rise in the number of video-cassette recorders. VCRs are the most recent and widely discussed example of a much more general upward trend in the sale of consumer durables for the home, a trend which



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has been a marked feature of the late 70s/early 80s (spurred on by government measures such as the abolition of HP controls) (21):

As with so many 'facts' about the video business, "trade intelligence" remains divided about the breakdown of VCR use between 'time-shift' (recording TV programmes, especially films, to watch later) and the viewing of pre-recorded cassettes. However, the proportion of time spent on pre-recorded 'software' is generally agreed to be increasing even if time-shift use remains predominant.

According to the British Market Research Bureau there were 96 million transactions of rental of pre-recorded tapes in 1982 (including illegal copies): virtually all of this will have been feature films.

All the other 30 titles in the Top 40 were feature films. A cautious estimate of 2 people seeing each cassette still suggests that the audience for films via VCR-TV is now larger than that for films in cinemas. Although the figures vary - particularly in guessing the size of the 'pirate' copying market - there is general agreement in putting the total turnover of blank and prerecorded cassettes (rental or purchase) in the region of £200 million (inc. VAT) in 1982. As with film, video 'publishing' is dominated by the US majors. The top three US companies have over 50% of the market.

4. Channel Four.

With a budget of £123 million for 1983 (including that for the Welsh channel), this new TV network is an object lesson in government intervention. After one year of broadcasting some 45% of the population watched its programmes for an average of around 2½ hours per head per week. A major strand in its programming is feature films - old and new Hollywood, foreign-language, specially commissioned. Although the so-called 'narrowcasting' aspect of C4 has been ludicrously overstated (22) its viewer profile is intended (and has managed) to be slightly nearer that of the cinema's audience than ITV, and provides yet another source of pressure on exhibitors.

5. VAT and the 'Eady' Levy.

In 1982, VAT and Eady levy together accounted for 16.7% of gross and 19.25% of net box-office takings at cinemas in Gt Britain. Arguments about the removal, alteration or continuation of these statutory measures have been prevalent for some time, and cannot be reviewed here. Suffice it to note that, in a context of marginal profitability for many venues, their effects have clearly been a contributory (though arguably not decisive) factor in the cycle of diminishing returns'.

Beyond Hollywood

Independent exhibition & distribution

The historical roots of the longstanding and unbroken domination of distribution and exhibition by the US majors and their English 'satellites' go back to the First World War.

No analysis of audio-visual culture in London can avoid acknowledging the continued power and presence of this 'Hollywood' system, even in a context where it has been forced to make its own adjustments to other social and cultural pressures, particularly to the rise of TV.

The analysis does not, however, stop there. For almost as long as cinema has been a significant issue in cultural life there have been organised groups and strategies trying to push on 'beyond Hollywood' in all its modes: of exhibition, distribution, production.

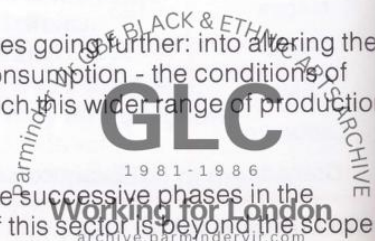
As regards distribution and exhibition, this activity - generally known now as 'independent' - has had a variety of particular emphases:

1. A concern to distribute and exhibit films (and later video-tapes) from national film cultures *other than* the North American. In its earlier (and still most developed) aspects this meant a stress on films from Europe - both 'West' and 'East'. Over time the perspective has been widened to include Africa, Latin America, Asia and elsewhere.
2. An awareness of the need to support the distribution and exhibition of film work being done in Britain and elsewhere *outside* the structure and assumptions (aesthetic and political) of the mainstream industries - work that has been persistently excluded from the 'normal' channels of circulation.
3. A variable insistence on the need to move beyond distributing or exhibiting 'different' films in traditional ways into changing the actual modes of distribution and exhibition practice.

Both the history and present structure of 'independent' work of this kind has been more varied, often less clear-cut, sometimes more mixed in its aspirations than any neat schema of the sort offered above will suggest. But what it has done - and its central significance for this analysis - rests in:

- Building a set of structures and mechanisms which have extended the effective range of choice, in terms of the films and tapes that can be seen in London.
- In some cases going further: into altering the relations of consumption - the conditions of viewing in which this wider range of production is seen.

A history of the successive phases in the emergence of this sector is beyond the scope



of this survey. (23) Instead, what follows is a provisional commentary on 'independent' distribution and exhibition as currently organised in London.

Independent Exhibition

a. In aggregate, there exists now in the London area a substantial number of full-time independent venues. At the beginning of October '83, 25 auditoria on 20 sites were identified in this category, which therefore accounts for a little over 10% of the screens in the GLC area.

The majority of these venues have been established since 1970. Although the sector's history over this recent past has not been one of steady progress - more venues have been opened during this time than remain in operation now - the trend overall is for a small but perceptible degree of growth in the number of independent sites.

Moreover, since this has taken place at a time when the major circuits have continued to close cinemas, the relative weight and 'visibility' of independent exhibition has grown considerably and can be expected to increase still further.

b. Although sharing 'difference' from the majors is common, these venues are also themselves varied in a number of significant respects:

- Almost all of them are private sector operations, and hence fundamentally dependent on box-office receipts for their continuing viability. Only a small minority are publicly run and dependent for some part of their income on grant aid from the BFI, GLAA, GLC, Borough councils etc.

- A majority of the privately run venues are 'aligned' - that is, owned by independent distributors who use them principally as 'first run' outlets for their own new film releases. (For example, the Camden Plaza, the Chelsea and the Lumiere cinemas are all owned by Artificial Eye, one of the leading distributors specialising in European 'art' films). The rest of the independent venues operate various types of 'mixed' programming: repertory, second run, thematic seasons, etc. - taking films from a wide range of distributors, including the majors.

- Most of the venues are run on a 'club' basis, charging a membership fee on top of the basic ticket price. This makes them in technical/legislative terms not 'open to the public', and hence exempt from liability to pay Eady levy, and able to show films which have a restricted classification (category 18R) from the British Board of Film Censors.

Given that they account for about 10% of London's screens, the total box office of these sites in 1982 should be in the region of £3 million, and their annual total admissions

around 1,388,000 (a weekly average of over 26,000).

c. As well as these full-time venues there is now also a substantial amount of exhibition work done in film and video workshops, film societies, arts centres, galleries, and so on.

It is most noticeably in this area that the traditional modes of exhibition have been altered, alongside what gets shown (by, for example, the screening of work in progress, mixed media events, thematic programming with discussion).

The prime movers in this shift are the film and video workshops which have been built up in London since the late 1960s. (24) Some of these groups have now entered production for Channel 4 - working under the terms of the ACTT's Workshop Declaration. (25).

A note on video exhibition

To date, the 'exhibition' of video tapes has been almost entirely a domestic, TV related phenomenon - to an extent such that 'video' and the public viewing aspect of cinema have been treated as effectively distinct. However, there does exist a small but important history of the public viewing of tapes and the general improvement in picture quality and cost of video 'projection' systems has already led to a succession of (still exploratory) instances of video display in cinemas. (26)

When - if at all - the transition to 'video cinemas' openly considered as such will take place, is bound to remain dependent on the economic/technical battle 'between electronics and photochemistry' now well under way at the international corporate level. (27)

Independent Distribution

As was noted above, a sizeable proportion of the independent sector is made up of aligned distributor/exhibitor operations. These companies have been largely responsible for the degree of erratic expansion in the number of venues which has happened in the last few years.

They also demonstrate the economic benefits which can be derived from control over exhibition (the other main revenue source now being sales to TV).

The other key grouping of independent distributors are those which have emerged in parallel with the development of the film and video workshops mentioned above. None of these have a full time aligned exhibition outlet, and are reliant on one or more of the 'non-aligned' independent venues for first runs etc.

Problems of 'independence'

To begin with, it is important to stress again, as



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was done above the pivotal role of distribution and exhibition. At the optimum, this role is to bring into some sort of balance the money a given audience, group of audiences or 'market segment' is prepared to pay to watch a given range of films or videos, and the costs of producing those films.

At the level we are focusing on that means the costs of acquiring the rights to, and distributing those films or tapes.

As is the case with TV, economies of scale operate in this arena - economies which can generally only be partly offset by subsidies from the public sector.

As a result, the independent sector has already begun to show the same trends towards the creation of chains and the vertical integration of distribution and exhibition which is prominent in the mainstream.

One of the questions which 'independence' raises (and which has been a recurrent theme in the debates over the Welsh 4th Channel) is at what point an available public can be too small to sustain its 'own' channels of distribution and exhibition.

Policy discussion has to ask at what level is this point reached, and whether the encouragement and/or subsidy of new entrants to this arena will have the effect of further sub-dividing an already limited sector - thus reducing the economic viability of all the existing participants by increasing their costs without a parallel rise in revenues.

As cinema has declined as a mass medium there has been a corresponding rise in the importance of reaching specialist audiences. The consumption of films now displays a tendency towards a two tier market - the 'mass' market having been taken over by TV and, increasingly, video, leaving to the cinema (especially in London) two main segments:

1. The remnants of the mass market, especially amongst the young, for first run new releases in the 'Hollywood' mould.
2. An art market where wealthier and/or more educated audiences will pay premium prices for a specialised product.

As has already been noted, the art-house sector has grown in recent years. The question is whether it will continue to grow (or even maintain its present size) in the face of competition from:

1. Specialist video distributors and Channel 4.
2. The moves of the majors themselves into this area e.g. 'Rear Window' and Visconti's 'The Leopard', via their 'Classics' divisions.

3. The decline of the 'young-educated' audience, both demographically and as of education cuts.

To make these points is to suggest that the sector may be at or near saturation point. At the very least, the signs of health in the area are ambiguous and contradictory: on the one hand, the Artificial Eye, Mainline and Cinegate have been able to expand; on the other, the Paris P has closed and the Phoenix is having difficulties, the Electric has been forced to move over to club status and the widespread move over to club status would seem to have been motivated by low box-offices.

Lastly it needs to be stressed that TV sales are now so vital an element in the economic distribution that the programming needs and priorities of TV exert an increasingly powerful influence on the cinema repertoire.

To put this another way: if the overriding consideration is to spread the viewing of particular kinds of audio-visual output as far as possible then TV must remain the first route; there is arguably very little justification for subsidising cinema exhibition unless elements of discussion, debate or education are included which TV cannot normally offer.

The closure or threatened closure of many circuit cinemas has already confronted the GLC with the question of how it should respond. There has been considerable pressure to take over cinemas as 'community ventures'. It then has to be seriously asked whether public policy can swim against the powerful tide shifting the site of consumption for film and video into the home.

Moreover, if there is to be an agreed policy this tide should be resisted, or even in part reversed, it does not necessarily follow that the public sector should saddle itself with a physical/technical infrastructure of a scale and design and location intended for a very different era with different patterns of consumption.

To defend 'cinema' means to defend an old conception of the shared public viewing of audio-visual work. It does not mean reinventing what I have called elsewhere 'the spirit of cinema'.

The Rio - A model for the future?

A discussion paper written by the staff at Rio

1. Background

The Rio cinema was taken over by a local management committee in 1979 as a "community cinema". With a total lack of

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revenue grants in the first three years, the struggles of the management and workers were much the same as at any independent cinema; how to pay the bills and keep the doors open. Exploratory revenue grants (£22,000 in total) from the GLC and Hackney in 1982/3, and a substantial grant from Hackney (£71,5900) in 1983/4, together with capital money from the GLC, have changed this picture and allowed the Rio really to become a COMMUNITY CINEMA.

2. Defining Community Cinema

While many of the following elements can be taken into account when defining a community cinema, it should not be assumed that the existence of any of these factors in isolation should in itself constitute such a definition:

- a. location in an area of cultural/social deprivation
- b. locally managed/non profit-making
- c. based in a cinema building
- d. diverse in its activities and media used

The Rio Community Cinema in Hackney – imaginative programming has brought new audiences into the cinema. (Photo: Sally Mcleay)

- e. based on socialist principles
- f. exhibiting non-commercial work.

Even if all these factors exist, there still has to be an additional, overall strategy aimed at putting the project to best use with and for the community. Without this, the project is simply independent or non-commercial, without being community based.

3. Why Community Cinema?

3.1. Failure of other models

As the major chains increasingly rely on product which offers no real incentive to leave the video, and the art-houses, having found their audience, recognise that it is not an expanding audience, anyone with an aesthetic, social or economic interest in communally viewed film must be seeking new ways forward.



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3.2 Democracy and Decentralisation

Local control of cultural forms and outlets is the most effective way to combat the hi-jacking of culture and communications by a small, reactionary elite. Community cinemas should be able to combine what is best from commercial culture with local and independent product, and with project work in related media, to create:

- a. a real choice
- b. a sense of control of what one sees
- c. movement towards control of the media by its workers and spectators.

4. How the Rio Works

4.1. The Rio is managed by an local committee, elected annually, which combines media workers with community activists and committed individuals.

4.2. The Rio employs five full time workers, nine part-time workers and three cleaners. It also involves many local volunteers.

4.3. The cinema is open seven nights a week for its film programme, and also on Sunday afternoons, Thursday afternoons (for schools or playschemes and the general public) and extra days for special programmes (media showcases, matinees for the elderly etc.)

4.4 Programming is carried out within non-sexist and non-racist guidelines, but attempts to be as varied as possible, showing the best of commercial cinema plus films of special artistic, historical, social or local interest.

4.5. After early experiments with a very mixed programme, the project now has a commitment to film as its central activity, with other forms complementing or being complemented by it - all live events in the past year have, for example, incorporated film into their programme, and the Rio is just about to embark on a large-scale experiment in combining film and live local bands.

4.6. Other aspects of the Rio's work include slide advertising for local groups and businesses, a slide newsreel created by unemployed young people, a small exhibition space, collaboration with local organisations for benefits, meetings, stalls etc., the use of locally produced music in intervals etc., and future plans include a creche, the installation of a computer and flat screen video projector (which also looks ahead to the coming of cable and the need for communal viewing points), the developing of slide and other archives, and the creation of space for a second screen and social facilities.

5. Remaining Challenges

5.1. The Rio in 1983 is a positive, forward looking project offering an alternative to traditional cinema exhibition. There remain, however, a series of only partly-solved problems, which those looking to the Rio as a model would do well to consider:

5.2 Funding

Of its Hackney grant for 1983/4, approximately £55,000 is revenue. This pays the salaries of the full time workers. Everything else has to come from the box office take (estimated at £64,000 this year), or fund-raising. As being a community cinema offers no immunity from box office disasters like the world cup or the heatwave, this can cause enormous cash flow problems, particularly when the project starts from a poor financial base, as the Rio did, and as others may start if they are changing over from being another kind of cinema. Such funding also inhibits project development. Local authorities considering funding community cinemas should therefore recognise that a high and stable level of subsidy is required.

5.3. Premises

Most cinema buildings make bad community venues, without considerable investment. The Rio needs an estimated £300,000 spent on it to bring it up to scratch. At present it has a tiny office, designed only for a manager to have space to cash up, and no small spaces for alternative screenings, workshops, meetings and social gatherings. Such problems should not be minimised in assessing the feasibility of a project.

5.4. Product

Certain groups within the community are very badly served by available product. However large a black community there is on the Rio's doorstep, it is impossible to conjure up much after you have shown BABYLON, PRESSURE, ROCKERS, THE HARDER THEY COME and BURNING AN ILLUSION for the tenth time. the Rio has two main ways of trying to redress this imbalance - first by incorporating other cultural events, such as live music, into its programme, and second by developing new methods of exhibition (eg. flat screen video projection) in order to show local product.

5.5 Coping with the Commercial World

Faced with distributors who would rather burn prints than have them shown as part of a creative programme, and being physically near a chain cinema which gets first choice on many of the better commercial films because, unlike the Rio, it will also take the worst, the Rio is too aware of what it is losing out on.

distribution patterns. While cinemas of this kind remain few and far between, those managing them need to have a realistically low expectation of the amount of control they have over what they exhibit.

III. Building a Movement

The Rio is at present isolated. It has good relations with other independent cinemas in London, yet its aims and bases of operation are not the same. It has good relations with the BFI, which would never wish to follow the Regional Film Theatre model. It has its local community allies and allies within parallel cultural movements, but it has no-one with whom, on the specific question of community cinema, it can sit down and build joint strategy. If it is a serious attempt to influence how film and video is shown, and, indeed, produced, it needs allies, or many of the problems described will remain intractable.

IV. Conclusion

The Rio is an exciting experiment which needs to be taken up as a model elsewhere. There is now a group of people at the Rio who can help others who are considering taking the same path. The Rio itself is still far from secure, financed and fully funded, and its staff have therefore to develop their own project at the same time as giving support to others. Such support is, however, very much on their list of priorities, because they recognise that you cannot build an alternative structure in isolation. Ways need to be found, therefore, to help the Rio and other projects develop until a stable network exists. It is a crucial development, and one which should be important to everyone with an interest, direct or indirect, in the future of film and its exhibition.

Video

The rapid growth of video as an industry over the last few years has stimulated a lot of media coverage and speculation, similar in kind to that given recently to the microchip. However, the sector's relative immaturity as a market means that there are, as yet, only the beginnings of the usual range of trade associations, monitoring bodies etc. who could be expected to provide some degree of accurate information about the sector's activities.

The now notorious absence of an adequate legal framework for its operations introduces the further complications of a 'black' market 'parallel' economy whose scope is as difficult to estimate as any other 'hidden' economic domain.

As a result, almost all the 'facts' about the video business are currently being produced by commercial market research and consultancy

organisations. The detailed findings of such bodies are generally only available privately, at cost/on subscription etc. However, some of the general conclusions reached in this research have been published in summary, and the discussion below is based on those aspects of this 'trade intelligence' about which some degree of broad consensus can be detected, together with some very tentative findings for the Greater London area.

The national market

The growth of video, in its various branches of activity, has been centrally driven by the rapid rise in the number of households using a recorder.

VCRs are used:

1. To 'time shift' (record and watch later) TV programmes
2. To view pre-recorded cassettes ('software')

Survey research published by Audits of Great Britain (responsible for TV audience research) in October 1981, found that VCR viewing averaged 4 hours 20 mins per week, most of which was of time shift material (86%), rather than pre-recorded tapes (14%). This analysis was supported by similar results from surveys done by Gallup. However, the results were criticised by software publishers, and subsequent research by AGB itself and others suggests that the amount of viewing of pre-recorded material has risen substantially, even if VCR use to time shift is still considered predominant.

Judgements about the size of the pre-recorded cassette market depend crucially on assumptions about the scale of illegal 'pirate' copying. Estimates vary considerably, from 35/40% of total transactions, to as much as 75/80%. The balance of opinion suggests a figure around the 50% mark.

The video industry in London

The main branches of video as a 'software' business (i.e. excluding tape manufacture etc) are:

1. 'Software' publishing
2. Cassette duplication
3. Wholesale distribution
4. Retail outlets

All these activities are now well developed in the London area, which has become - in the same way as (and largely because of) film - the main location of almost all the major companies operating in Britain.

Assuming that the illegal 'pirate' sector takes



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50% of the market (i.e. is as large again) gives an employment total of 11,000.

No separate figures were found for the size of the 'film on video' audience in London, or its value in money terms. If the London - GB proportion for cinemas is used as a surrogate measure (i.e. we assume that video in London equals about 30% of the national market), we arrive at the following guesstimate:

- 29 million pre-recorded tape rentals in London in 1982
- An audience for film via VCR-TV of around 60 million people (2 per tape).
- A market for video worth about £60 million (inc VAT) at 1982 prices.

The commercial video business is clearly still in a very fluid state. WH Smith and Woolworth are two notable examples of firms who have pulled out of video distribution after losing substantial sums (at least in part because of 'piracy') which has enabled small dealers to undercut them).

As in the earliest stages of the development of film production and distribution, those involved in the industry are not yet agreed on whether sale or rental is the best strategy. Nor, if rental is opted for, whether the distributor should rent to the retailers on a flat time period basis or on a percentage of each rental.

Sale has the advantage of reducing the scope for 'piracy', but limits overall the volume of transactions because of the high prices involved. (This has led one of the majors to try and solve this problem by slashing its sale price). On the other hand, rental results in a higher volume of transactions but is more open to abuse.

Because of the still very 'immature' state of the video market, barriers to entry remain relatively low at this stage, suggesting that there are opportunities for public intervention.

Television Output & Employment

Thames & LWT production Analysis - 1981/82

Although the degree of genuine diversity within the Independent Broadcasting Authority's 'federal' system is a subject of significant debate, (1) it is certainly the case that the ITV companies differ to some degree in terms of:

1. The volume and content of productions made for transmission in their own region.
2. The volume and content of material produced for network transmission
3. The volume and content of bought-in material

However, the only information the IBA publishes specifically about these aspects of Thames and LWT is that the average weekly production for 'regional tastes' is 4 hours 28 minutes for Thames and 2 hours 13 minutes for LWT.

The rest of the weekly schedule for Thames and LWT (apart from their network contributions and production for 'regional tastes') would be made up as follows:

1. New networked programmes from the other 'Network' companies
2. New networked programmes from the 10 'Regional' contractors
3. Repeats
4. Bought-in programmes
5. ITN Bulletins
6. Continuity
7. Advertising spots

Taken together, and including ITN's bulletins, Thames and LWT are currently (May '83) broadcasting for approximately 104 hours 30 minutes per week, (Thames 68.75 hrs/LWT 35.75). Ignoring seasonal variations in broadcast output etc., this gives an annual broadcast output of approximately 5,434 hours. (NB: These two figures for weekly/annual output are rough estimates, and not directly comparable with the 1980-82 figures quoted above.)

The IBA provides a programme analysis based on the concept of the "average ITV region", which - by definition - does not correspond to the actual transmissions in any specific ITV region. Even so, it seems unlikely that the programming of Thames and LWT, considered as a single weekly schedule, differs very substantially from this "average":

According to the IBA's analysis, 73% of the programmes transmitted in this "average ITV region" were made by the ITV system itself (including ITN), divided up as follows:

	Hrs
ITV Network companies	47.00
ITN	7.25
ITV Regional companies	11.75
Local programmes	8.25
	74.25

The balance of the "average hours" is provided by bought-in material.

The IBA provides no detailed aggregate information on the costs of production across the ITV companies.



Analysis suggests that, including administration, the costs of production for ITV account for approximately 75% of total income.

Using the IBA 'average' outlined above as a guide, an estimate can be made of programme production costs for the two companies:

Thames	£91,681,000
LWT	£57,031,000

Employment: Thames TV/LWT/ITN/Channel 4/IBA (London)

A Note on the Operating Budgets of ITN and the BFI

1. ITN

According to ITN its annual operating budget in 1980 was £13 million.* Since then they have been given responsibility for the evening news hour on Channel 4. This has required a substantial increase in ITN's total operation, and with an allowance for inflation their current annual expenditure can be estimated as approximately £20 million.

(*as specified in their Breakfast TV application)

2. BFI

The BFI's total income to March 1982 was around £10 million. £6.5 million of this was grant-in-aid from central government, and the rest was self generated by the Institute through film distribution etc.

In the Turnover Summary B, this total has been adjusted down by the c. £1 million revenue of the National Film Theatre, which is treated as part of the figure for cinema box office receipts.

Channel Four

In its first year of transmission (from the beginning of November 1982), Channel 4 transmitted about 3,200 hours of programmes.

The programming policy for this output is broadly determined by a) the terms of the Broadcasting Act 1981, and b) the interpretation placed on its relevant provisions by the IBA and by the Board of Directors of the Channel 4 Company - all appointments approved by the IBA. (The Company is a wholly owned subsidiary of the Authority).

From the various policy statements which have been issued the following broad contours of programming emerge:

1. In overall terms the mix of programmes on ITV (one third informative/educational; entertainment) will be reversed on Channel 4.

2. Within this only 3 specific requirements have operated: for the provision of news bulletins by ITN (4½ hours a week), one hour a week of 'programmes recognisably religiously in aim', and an expectation that about 15% of the Channel's output should be 'educational'.

At the end of July 1981 the IBA announced that Channel 4's operating budget from its inception in January 1981 up to the end of March 1983 was to be £104 million. This was divided into two parts: £18 million to cover capital expenditure, wages and initial programme costs to the end of March 1982; £86 million for the first year of full operation from April 1982 to March 1983.

A more precise assessment of this budget, and the balance of expenditure within it, will only be possible when the company's accounts to March 1983 are published in the IBA's Annual



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Table 13. Employment

1. Thames TV:	2,200 permanent plus some 3-400 freelance
2. LWT:	1,533 permanent 163 long term contract 10 short term contract
3. ITN:	800 – made up: 170 journalists 480 technicians 150 admin.
4. Channel 4:	220 – made up: approx. 50% editorial/admin. 50% engineering All permanent except Commissioning eds. (3 yr. contract) Presentation (1 yr. contract or less)
5. IBA (London):	325

Source: Thames, LWT, ITN, C4, ABS.



Report for 1982/83 (Autumn '83). However, allowing for the costs of their Charlotte St. HQ (reported as nearly £6 million), administrative overheads, launch publicity, and the wages of 220 staff, it seems reasonable to assume a programme budget over these first 27 months of around £90 million, possibly slightly more. Covering both bought-in material and the commissioning of new work, this expenditure has been divided approximately 50/50 between independent producers and ITV/ITN. The amount available for one hour's programming is reckoned to average about £30,000. Some prestige projects (e.g. 'Film on Four') will get much more than this - others will be done for rather less. If we assume that the above calculations give a 'spend' on non-ITV programmes of around £45 million, an estimate can be made that broadly £30-35 million of this will have been spent on commissioning new work.

The great majority of non-ITV independents working for Channel 4 are members of the Independent Programme Producers Association. This trade body has a total membership of approximately 270, three-quarters of which are London based organisations. The bulk of the estimated £30-35 million will have been allocated to these companies. It should be added that IPPA members cover a very wide spectrum from the very small to subsidiaries of transnational media companies.

The Production of Advertising Commercials

According to the Advertising Association the total production costs of TV commercials in 1984 was £160 million. The main trade association, formed alongside ITV in the 1950s, is the Advertising Film and Videotape Producers Association, which has a membership of around 70 companies. However, there are certainly a significant number of other producers making commercials who are not members of the AFVPA. What can reasonably be said is that nearly all of the commercials production is London based and financed, principally because it is a service activity for the advertising agencies, who are also overwhelmingly London based, especially the top few hundred agencies who handled the larger accounts.

How many commercials get made each year is not precisely identifiable. The nearest approximation is provided by the IBA's figures for the number of completed commercials which have received IBA/ITCA final clearance for a screening on the network. In 1981-82 this amounted to a total of just under 6,000 adverts, on both film and tape. Several qualifications have to be added:

1. Not all these ads will necessarily finally get transmitted.

2. The figure excludes an unknown quantity of non-contentious local ads made and transmitted inside the ITV regions.

3. Channel 4 has begun to add substantially to the numbers. Despite the IPA's dispute with Equity, the union had cleared for transmission some 700 new ads involving its members by May '83.

According to the IBA, the average hourly amount of TV advertising was 5.6 minutes per hour throughout the network in 1982-82.

It did not prove possible to obtain information about the scope of commercials production for cinema release, nor about commercials production for the independent local radio system.

Nonetheless, for ILR the following rough estimate can be made:

a. The IBA allows a maximum of 9 minutes per hour of adverts on ILR (i.e. 15%, as opposed to the maximum six minutes/10% on ITV). Hence we can at least assume that the volume of commercials to be produced is certainly not lower than for ITV.

b. The expenditure occurred by the agencies in producing the ads for ITV, although a slightly fluctuating figure, is roughly equivalent to 10% of the costs of transmission.

c. Gross ILR revenue in 1982 was about £60 million. This gives an estimate for expenditure on radio commercials of £6 million.

**Table 14. Advertising Expenditure on Television
£ millions**

	Transmission charges	Production costs	Total
1972	158	18	176
1973	189	21	210
1974	176	27	203
1975	208	28	236
1976	272	35	307
1977	353	45	398
1978	426	56	482
1979	408	63	471
1980	622	70	692
1981	716	93	809

Source: Advertising Association

BBC Network TV Programme Analysis

Analysis of BBC Annual Reports provides estimates for:

1. The proportion of material produced in London



2. The costs of production of this output

The source of the 6,889 hours of BBC originated TV network programmes in 1981/82 was 5,270 hours produced in London and 1,619 hours produced outside.

The BBC published Accounts for 1982/82 show that operating costs for the 8,419 hours (6,889 plus 1,530) of BBC TV network programming (i.e. excluding the Open University and Regional Services) was £298.5 million.

If the assumption is made that expenditure on GB and foreign feature films and series is London based and controlled, as well as the 76.5% of BBC originated network material, then 6,800 hours (5,270 plus 1,530) of the 8,419 hours is London based output, i.e. 80.75%. On this assumption the operating expenditure for London based TV network output in 1981/82 was £241.2 million. (2)

Conclusions & Recommendations

In summary, the conclusions to be drawn from this study are the following:

1. Film and video distribution and exhibition in London is dominated by the US majors and their English counterparts.
2. In terms of cinema exhibition and distribution the only significant counterweight to this domination is provided by the various institutions making up the independent sector.
3. The GLC's policy making and resources should therefore be focused on this area of film and video distribution and exhibition.
4. The main emphases of this commitment should be to strengthen the ability of the sector to plan its own future and make its work better known and supported.
5. These plans should take adequate account of the rapidly changing technical and institutional conditions under which audio-visual work is made and circulated.

On the basis of these conclusions I would make these principal recommendations for the future development of GLC policy in this area:

1. The Council should make an explicit commitment to policy and funding designed to develop the structure of independent film and video distribution and exhibition in London.
2. In the light of such a policy, the Council should consider:
 - a. The possibility of setting up a cinema investment fund, to support selective measures

of refurbishment and equipment renewal in the independent sector.

- b. The possibility of setting up a single coordinated publicity and promotion system for all independent venues in London.

- c. The possibility of setting up a distribution investment fund. This should cover a review of the scope for mechanisms for assisting with the costs of:

- i. Sub-titling non-English language films and videos

- ii. Film to tape transfer, both for broadcast and VHS uses.

- iii. Film print and tape purchase *and* renewal, the production of catalogues and indexes of work available.

3. The Council should make a policy and funding commitment to the London based aspects of the research project on video distribution which is being organised by Albany Video.

4. The Council should fund:

- a. A feasibility study into the setting up of a new exhibition venue for film and video in the central London area.

- b. A feasibility study into the setting up of women's media research/resource centre and cinema in the London area.

5. The Council should examine the possibility of establishing an 'independent forum' type festival. This should be pursued in consultation with the organisers of the 3rd Eye Festival, the LFF, and the Berlin Independent Forum.

6. The Council should fund a detailed research report into the audio-visual policy and funding process at EEC level.

7. The Council should fund a research programme on the implications for the independent sector of technical change in the audio-visual industry, including such questions as the future of 16mm film, video projection, 'electronic cinema chains', video discs, and so on.

8. The Council should look closely at the scope for computerisation investment in the work processes and promotional activities of distribution and exhibition.

9. Since the key purpose of film and video production is to communicate with an audience, intervention in support of production has to go on in parallel with intervention in support of distribution and exhibition. The Council should therefore investigate how best they can assist the integration of these areas, including perhaps in the first instance, by support for a full time worker to help coordinate



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the distribution and exhibition activities of film and video production groups and workshops in London.

10. To assist the implementation of the above recommendations the Council should itself appoint at least one full-time film and video officer – to help coordinate the policy making already going on in its various committees, and act as a focus for information and advice in the GLC's relations with the independent film and video sector.

Notes

1. See W. Phillips, 'The demon of regionalism in ITV', *Admap*, November & December 1981.
2. This figure is an *estimate* – to be treated with caution. It depends on a series of assumptions (about purchased programme policy, uniformity of production costs, etc) which cannot be cross-checked from the published BBC accounts.
3. See the Dept. of Trade's notes of guidance on 'Registration as a British Film', and 'The Film Levy', both August 1982.
4. See the provisions of the *Film Levy Finance Act 1981*, and the *Films (Distribution of Levy) Regulations 1982 – Statutory Instrument 1022*.
5. See the *British Film Fund Agency Annual Report & Accounts October 1981*, House of Commons paper 511, 19 October 1982.
6. For example Sir John Terry's working party Report *Future of the British Film Industry*, (Cmnd 6372 Jan. 1976) – "regrettable absence of comprehensive industry statistics . . ."; a view reiterated, though with numerous 'commercial confidentiality' caveats by Harold Wilson's Interim Action Committee's 3rd Report, *Statistics, Technological Developments & Cable TV*, (Cmnd 7855 March 1980). The present government's attitude in these areas is summed up by Sir Derek Rayner: 'Information should not be collected primarily for publication. It should be collected because government needs it for its own business.' (*Government Statistical Services*, Cmnd 8236 April 1981, pg 15).
7. See the British Film & TV Producers Assn. *Annual Report 1981–82*.
8. See the survey of Equipment Leasing in the *Bank of England Quarterly Bulletin*, September 1980, and the table on the growth of first year allowances between 1971–1981 in the 'Blue Book' for 1982 (*National Income & Expenditure 1982*, pg 121, CSO 1982).
9. Particularly the British Film & TV Producers Assn. *Annual Report 1981–82*; *Music & Video Week Yearbook 1983*.
10. Employment figures were identified for the following film labs:

Rank Film Labs (inc. UPITN)	661
Technicolor	298
Key Labs	225
Humphries	158
Studio Film	120
Colour Film Services	70
Filmatic	56
11. *A Report on the Supply of Film for Exhibition in Cinemas*, (Monopolies & Mergers Commission, Cmnd. 8858 May 1983).
12. *The Distribution of Films for Exhibition in Cinemas and by Other Means*. (5th Report of the Interim Action Committee on the Film Industry. Cmnd. 8530 March 1982).
13. See the *Business Monitor MA2 on Cinemas* for 1982 (HMSO 1983); and my commentary 'Cinema-Going, Going, Gone?' in *Screen* July-October 1983.
14. See the *BFTPA Annual Report 1981-82* (London September 1982).
15. See note 2 above.
16. See Andrew Ehrenberg and Patrick Barwise. *How Much Does UK Television Cost?* (London Business School 1982).
17. From a National Readership Survey Special Analysis, September, 1981.
18. This discussion of bingo is based on the *Annual Reports of the Gaming Board of Gt Britain*, (HMSO); and the findings of Rachel Dixey and Margaret Talbot, set out in their study: *Women, Leisure and Bingo* (Trinity & All Saints College, Leeds 1982).
19. See John Craig, 'The growth of the elderly population' *Population Trends* 32, (OCPS, Summer 1983, HMSO).
20. See Anne Wicks, 'Plus ca change - observations on the changing consumer' *ADMAP*, April 1983.
21. See J. Ramsbottom & H Lind, 'the Buys that could not wait' *Marketing* 11 August 1983; and D Reilly, 'Fortress Britain - the sudden death of the big night out' *Campaign* 2 September 1983.
22. See my contribution to 'What's this Channel Four?', ed. Blanchard/Morley (Sage Media Publishing 1982); and the papers in *ADMAP*, March & April 1983.
23. See D. Macpherson (ed.), 'Traditions of Independence', (BFI Publishing, 1980); 6

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Neale, 'Art Cinema as Institution', *SCREEN* Vol 22 No. 1.

24. See on the history of this sector the chapter by Sylvia Harvey and myself in J. Curran & V. Porter (eds) '*British Cinema History*' (Weidenfeld & Nicolson 1983).

25. See R. Lockett, 'Cinema Manifesto', *New Socialist*, Nov/Dec 1983.

26. See the report on a video cinema trial by EMI in the *ACTT Annual Report* 1979-80; and the technical reviews by Barry Fox in *Broadcast* 23 May 1983 and in *New Scientist* 20 October 1983.

27. See T. Moore, 'Embattled Kodak enters the Electronic Age', *Fortune* 22 Aug 1983.



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CHAPTER 4

THE BOOK INDUSTRY

Chapter 4

THE BOOK INDUSTRY

Nick Garnham and
Ken Worpole

Introduction

Books and bookshops

The facts and figures presented in the two documents published here exemplify two ways in which the GLC hopes to advance public understanding and debate about the economic and cultural structures of book-publishing and book-buying. Despite the frequent prophecies that books and reading are about to disappear from most people's lives, book production and book reading are alive and well. The serious problem is that of 'connecting' the two activities in better ways.

The number of new titles published continues to increase each year - 51,555 titles in 1984 - as does consumer spending on books in real terms. But despite the fact that reading is one of the most popular leisure activities (in 1982, 45% of people surveyed said that they were reading a book at the time), there continues to be a mismatch of production and consumption. For every block-busting novel which sells a million-plus copies, there are thousands of books which sell less than 2,000 copies, even though they might well sell many more were they more widely available. The key problem, as Nick Garnham has pointed out elsewhere, is no longer cultural production but distribution.

Some of the figures collected here are quite astounding, and make salutary reading. For example, the fact that only 18% of all paperbacks are actually bought in bookshops. The rest (and very much the majority) are bought in the big chain stationery shops (such as W H Smiths and Menzies), in Woolworth, and in newsagents. In this context a distribution company such as Bookwise exerts enormous power over what books are available for people to read by the way it selects only 100 books each month for mass popular

distribution to the key outlets which dominate the retail book trade. It is significant too, and very worrying, that the most profitable publishers today (such as Ladybird, Butterworth's and Mills and Boon) are those with a highly standardised product to sell. This is not altogether surprising given the kinds of 'economies of scale' that can be achieved on long print runs of standardised products; but the *degree* of rationalisation and conglomeration that has taken place in the publishing industry over the past two decades is certainly alarming. It remains, despite the traditional aura of glamour which still seems to surround it, a low wage industry, managed by men but with a high percentage of women working in it. In common with many other industries, it increasingly has the basic product manufactured abroad, farming out typesetting and printing to low wage third world countries which is then reimported for home consumption. So, while more and more books are being produced, more and more workers in the industry in this country are being made redundant.

This is a particular problem for Londoners, given that printing and publishing is now London's largest manufacturing sector, employing (in 1978) 112,300 workers. If more jobs are not to be lost then new initiatives need to be taken which will open up the flow between the declining production sector and the sphere of consumption. Some feminist, ethnic and community publishing projects have begun to show the way, though they themselves are often stifled by seemingly intractable problems of distribution and imaginative retailing.

There is also a further problem, for even if the book-buying market is still relatively buoyant, then the library and school market is not: it is currently severely restricted by local authority and education cuts. There is some irony in the fact that while the Conservative-voting literary establishment of Kingsley Amis, Philip Larkin etc. will expand at length on the cultural philistinism of various forms of socialist politics, their party colleagues in local government seem to regret every penny spent on books. To give but one example, in 1976 the library services in Tory Buckinghamshire spent precisely nothing on fiction!

A fairly common way of 'explaining' some of the difficulties of the commercial book trade in Britain is to complain that we have too *good* a library service. In other countries, it is argued, people have to buy the books they want to read. Here, they get them free. In the absence of detail in this area all one can do is to answer this intuitively. Many people are convinced that the library public and the bookshop public are in essence, two quite different entities, even if they clearly do overlap. The cultural histories of these two, very different, kinds of institutions - one arising out of the mid-19th century civic paternalism, the other with some roots in the independent (and sometimes oppositional) book-selling propensities of English liberalism

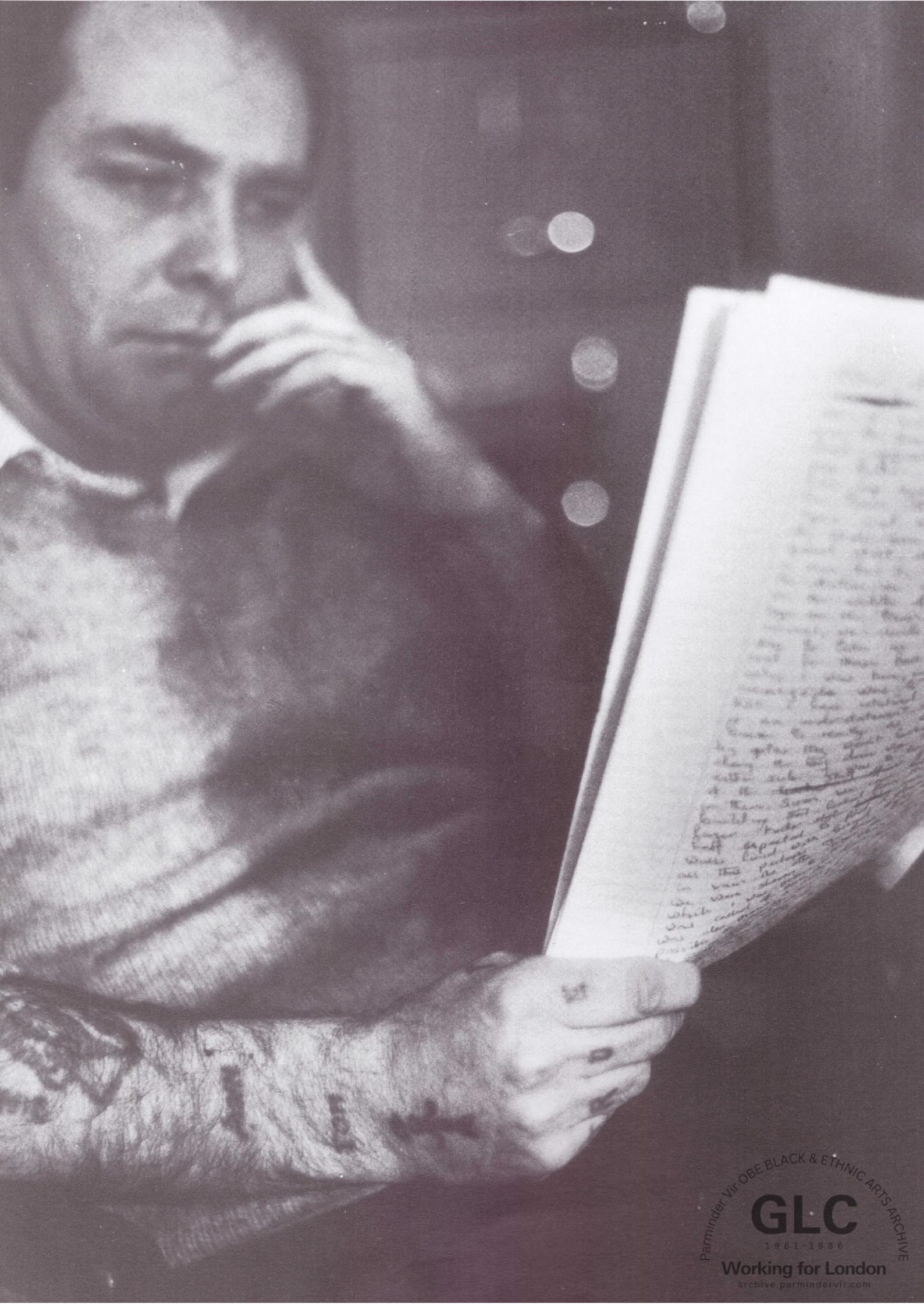


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and radicalism - would suggest two very different kinds of cultural spaces in our contemporary life. It could even be argued that, rather than being in competition with each other, the library and the bookshop are in fact complementary and even mutually enlarging. Seeing them as being in competition or opposition to each other is quite unhelpful. Nor does this mean that the library service has reached the limits of its potential, for during the past decade there have been intense discussions in library circles about how libraries can play a more active role in the cultural life of the community.

Given the massive commercial importance of institutional spending on books, the GLC is right to stress that a coherent policy of support for bookshops has to be integrated into the book purchasing policies of both ILEA and the Public Libraries. One early attempt to outline a bookshops policy for the GLC Community-Arts Sub-Committee is also published here. This document was based on the recognition that, in the early 1970's, the unmediated play of market forces (as far as book-selling was concerned) would surely mean the eventual demise of comprehensive bookshops everywhere. There are today only 400 'Charter' bookshops in Britain - that is to say bookshops which stock a comprehensive range of different categories of books; which offer a book-ordering service; and with some training facilities for staff. From this awareness arose the notion of 'community bookshops' which recognised the need for some kinds of forms of subsidy in order to offer comprehensive book-selling facilities in districts other than the West End of London and high-income areas such as Hampstead and Kensington. Such geographically-based community bookshops - like *The Bookplace*, Peckham; *Reading Matters* in Wood Green; *THAP* in Tower Hamlets; *Centerprise* in Hackney; *Page One* and the *Newham Parents' Centre* in Newham - have all received grants from the GLC in recent years. So also have bookshops serving particular 'communities of interest' such as *Shakti Bookhouse* in Southall with its wide range of Asian literatures; and *Silver Moon* and *Sisterwrite* serving women.

New bookshop projects are still being established. It isn't only because of the range of books being sold that such bookshops might need some kind of financial support. It is also because many of them offer other kinds of activities that are related to books and bookshops - in some cases it is literacy classes, or writing workshops, children's story-telling sessions and so on. Subject these activities to the powerful glare of market forces

Left: **GLC Support for community publishing in London has enabled many hundreds of new writers to emerge. Jim Baker, whose autobiography *A Mis-Spent Youth* was published by *Centerprise* in 1984, checks his manuscript.**
(Photo: Anna Sherwin)

and they would shrivel instantly and disappear, leaving a tiny puddle on the floor.

Nor does this mean that the community bookshop network is now a settled achievement. Given the important space they now occupy as centres of cultural activity in specific locations, these shops may yet have to expand their activities to include the retailing and distribution of other cultural products apart from books, particularly those produced within the independent sector - records, video-tapes, etc. The library network seems obviously ideally-suited for this function too. Other changes, based on changing patterns of usage and expectation may be necessary. For instance, it is becoming apparent that many people regard bookshops as more akin to cinemas, theatres and galleries than to shoe-shops or newsagents. In New York, 60% of book-buying is done in the evening, as part of what is considered an evening out: browsing, having a coffee, meeting people. The problems of addressing such fundamental changes in leisure patterns deserve detailed research and discussion.

So too does the astonishing statistic (based on Book Marketing Council research) that 50% of book purchases are made 'on impulse'; and that these 'impulse buying' decisions are taken within 10 seconds of sighting a title. In this context the attractiveness of the product, its design and aesthetics, together with display and presentation are important. 'If you want to hide a book, put it in a library', Eric Huntley of the Walter Rodney Bookshop once reminded some people at a Black Bookfair meeting in Acton. Too often the left loses sight of questions of display and design, as these matters are seen as part of unhealthy capitalist marketing practices which, it is assumed, under socialism will disappear or be irrelevant.

Problems of marketing and distribution remain outstanding. It is a part of conservative aesthetics that audiences and their responses are unimportant; that all the cultural virtues reside in the artefact itself, and have nothing to do with context or reception. Radical aesthetics seeks to break down all the possible barriers between producers and consumers. To that end constant innovation in the way we relate that old dualism of 'books and people' is the key; the world will not come to us.

Publishing

Book publishing is an industry producing an extremely varied product range. The number of new titles published each year has risen steadily since the 1950s, and there are in the region of 250,000 titles in print at any one time.

Barriers to entry are low due to the low level of capital required to start as a publisher.



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Whitakers lists over 2,000 publishers but there are probably 400 firms whose main activity is publishing. Cassells and the Publishers Association Director of Publishing list 582 publishers of whom 280 have their head office in London.

But in spite of a superficial appearance of plurality book publishing is relatively highly

Table 1. Titles published annually

1950	17,072
1960	23,783
1970	33,489
1981	43,083
1982	48,307
1983	51,071
1984	51,555

Source: The Bookseller

Table 2. Estimated market share 1981

Pearson/Longman	10%
BPCC/Pergamon	8%
Collins	8%
OUP	8%
Macmillan	6%
Associated Book Publishers	5%
IPC Books	5%
Pitman	4%
Heinemann	3%
Octopus	3%
Thomson Books	2%
	62%

Source: Euromonitor

NB: These shares are likely to have shifted following Collins purchase of Granada Publishing and IPC's sale of Hamlyn Paperbacks to Hutchinson.

Table 3: Estimated paperback market share 1982

Pan	19.3%	(jointly owned by Collins, Macmillan and Heinemann)
Sphere	15.0%	(Thomson)
Fontana	12.0%	(Collins)
Penguin	12.3%	(Pearson/Longman)
Granada	10.1%	(Collins)
Hodder/NEDL	8.8%	
Corgi	6.9%	(Bertelsmann)
Arrow	4.0%	(Hutchinson)
Futura	3.5%	
Star	2.2%	
Other	5.0%	
	100.0%	

Source: Jordans

Table 4. Top firms paperback turnover June 1983

1 Penguin	£44 million
2 Pan Granada Fontana	£39.5 million
3 Mills and Boon	£26.4 million
4 Hodder/NEL	£11.9 million
5 Corgi	£10.0 million
6 Sphere	£8.0 million
7 Arrow/Hamlyn	£7.5 million
8 Futura	£4.3 million
9 Star	£3.9 million

Source: Jordans

concentrated with the top eleven firms controlling 62% of the total market and the top nine firms 95% of the paperback market.

This relationship between the top paperback firms can also be expressed in terms of turnover. The following table illustrates the effect of Collins purchase of Granada and the relative volatility of market share which can be affected considerably by one or two bestsellers such as Penguin's **F-Plan Diet**.

A significant proportion of these leading firms are part of larger conglomerates, often with extensive holdings in other media sectors. Pearson/Longman also own the The Westminster Press Group; The Financial Times and Economist, Goldcrest Films, Longman Video. BPCC/Pergamon as well as being the largest UK printing firm also have interests in Select TV and Central TV. Collins is 49% owned by Rupert Murdoch whose News International, as well as owning The Sun and the News of the World and the Times Group also owns satellite TV and is itself part of a multinational conglomerate with extensive holdings in Australian and US media. IPB Books is a part of IPB (owners of the Mirror Group of newspapers) which is itself part of the Reed Group. Heinemann is now owned by BRT, an industrial conglomerate which recently took over Heinemann's previous owners Thomas Tilling. Hutchinson is owned by London Weekend Television. Thomson Books is part of the Thomson Group a Canadian controlled group with extensive interests in the UK provincial press and North Sea Oil.

The significance of this ownership by large groups often with extensive international interests if not foreign control is well illustrated by the Reed Group's announced intention to sell the Mirror Group because they can get a better return on their available investment resources in US publishing.

Size of the book market

Estimates vary but Business Monitor PQ489 puts UK domestic retail book sales in 1982 at £726,463,000 and export sales at £214,766,000.

The Publishers Association estimates publishers' sales by category in 1981/82 as shown in Tables 5a, 5b and 5c:

The most significant trends to note are:

- the decline in the export market which, after remaining steady at around 40% of total sales throughout the 60s, dropped steadily through the 70s to its present level, according to official figures, of 30.6%

This has been a serious blow to an industry which, because of Britain's imperial past and



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Table 5a. UK Publishers sales by category – 1982 and 1983 (Home Sales)
Value Turnover (£000's) by category

£000s	1982	1983	% Change		
			Current	Real BPI	Real RPI
School books	45,744	46,477	1.6	-5.0	-2.9
University etc. Books	64,897	74,098	14.2	-4.5	9.2
<i>Mass Market Paperbacks</i>					
Children's	9,198	10,568	14.9	-3.9	9.8
Adult Fiction	48,107	55,608	15.6	-3.4	10.5
Adult Non Fiction	20,820	19,833	-4.7	-20.4	-8.9
Nett Mass Market	78,125	86,009	10.1	-8.0	5.3
Specialised Books	33,196	42,312	27.5	6.6	21.9
<i>General Books</i>					
Children's	24,487	25,948	6.0	-11.4	1.3
Adult Fiction	26,8984	23,450	-12.8	-27.1	-16.6
Adult Non Fiction	72,937	68,445	-6.2	-21.5	-10.3
Nett General	124,318	117,843	-5.2	-20.7	-9.4
Total all books (except Mass Market Paperbacks)	268,155	280,730	4.7	-12.5	.1
All Books	346,280	366,739	5.9	-11.4	1.3

Source: Publishers Association.

Table 5b. UK Publishers sales by category – 1982 and 1983 (Export Sales)
Value Turnover (£000's) by category

£000s	1982	1983	% Change		
			Current	Real BPI	Real RPI
School books	42,089	42,051	-.1	-16.5	-4.5
University etc. Books	52,360	59,739	14.1	-4.6	9.1
<i>Mass Market Paperbacks</i>					
Children's	3,316	3,882	17.1	-2.1	11.9
Adult Fiction	25,268	30,336	20.1	.4	14.8
Adult Non Fiction	9,526	10,517	10.4	-7.7	5.5
Nett Mass Market	38,110	44,735	17.4	-1.9	12.2
Specialised Books	10,269	11,527	12.3	-6.1	7.3
<i>General Books</i>					
Children's	10,944	12,076	10.3	-7.7	5.5
Adult Fiction	6,789	6,822	.5	-16.0	-13.9
Adult Non Fiction	23,684	25,399	-7.2	-210.3	2.5
Nett General	41,417	44,297	7.0	-10.6	2.3
Total all books (except Mass Market Paperbacks)	46,135	157,614	7.9	-19.8	3.1
All Books	184,245	202,349	9.8	-8.2	5.0

Source: Publishers Association.



**Table 5c. UK Publishers sales by category – 1982 and 1983 (Total Sales)
Value Turnover (£000's) by category**

£000s	1982	1983	% Change		
			Current	Real BPI	Real RPI
School books	87,833	88,528	.8	-15.7	-3.6
University etc. Books	117,257	133,837	14.1	-4.6	9.1
<i>Mass Market Paperbacks</i>					
Children's	12,514	14,450	15.5	-3.5	10.4
Adult Fiction	73,375	85,944	17.1	-2.1	12.0
Adult Non Fiction	30,346	30,350	.0	-16.4	-4.4
Nett Mass Market	116,235	130,744	12.5	-6.0	7.5
Specialised Books	43,465	53,839	23.9	3.6	18.4
<i>General Books</i>					
Children's	35,431	38,024	7.3	-10.3	2.6
Adult Fiction	33,683	30,272	-10.1	-24.9	-14.1
Adult Non Fiction	96,621	93,844	-2.9	-18.8	-7.1
Nett General	165,735	162,140	-2.2	-18.2	-6.5
Total all books (except Mass Market Paperbacks)	414,290	438,344	5.8	-11.5	1.2
All Books	530,525	569,088	7.3	-10.3	2.6

Source: Publishers Association.

because of the international status of the English language, has traditionally depended on a high level of export sales.

This decline can be attributed to a number of factors:

a. the abolition, in 1976, of the Traditional Market Agreement, following anti-trust action in the US, which had kept US publishers out of traditional British overseas markets such as Australia;

b. movement in the terms of trade owing to the high level of sterling;

c. nationalist cultural and economic policies in the Third World, particularly in the crucial field of educational publishing, which has lead governments either to develop alternative local sources of supply or at least has forced UK publishers to set up local subsidiaries to publish within the countries concerned;

d. the economic crisis in Nigeria, a major market;

e. the growth of book piracy;

● the steady shift towards paperbacks which have moved from 35.1% of the market in 1977 to 39% in 1981;

● a decline in sales in real terms of 7.8% against the Book Price Index and 4.2% against the Retail Price Index in Home Sales, of 12.8% BPI and 9.5% RPI in Export Sales and of 9.4% BPI and 5.9% in Total sales.

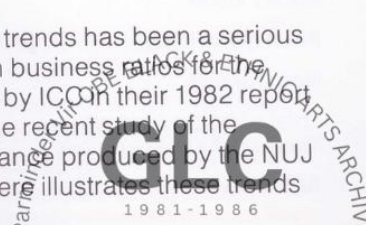
This contrasts with a growing market in the late 70s and up to 1981, in spite of competition from other media and jeremiads on the decline of reading in the face of TV.

Table 6: Consumer spending on books – £ millions

Year	Total Spending Deflated by:			
	Current Prices	RPI	BPI	Book-seller Index
1975	191	191	191	191
1976	222	191	190	176
1977	271	201	192	192
1978	327	224	201	208
1979	375	226	208	223
1980	451	231	213	232
1981	510	233	205	237
1982	528	222	188	215
1983	580	233	173	201

Source: British Nat. Accounts, Monthly Digest, Bookseller.

The result of these trends has been a serious decline in the main business ratios for the sector as reported by IC on their 1982 report on the industry. The recent study of the industry's performance produced by the NUJ and reproduced here illustrates these trends well.



UK Publishing Industry Performance

For performance comparisons with other sectors of industry - the latest information available to use is for the year 1979/80, so lack of recent information is a major limitation. For performance comparisons between publishers - our latest systematic information is for 1981/82. (Note: The financial year used for the purpose of these notes runs from October to September. As the majority of British publishers close their financial year in December, and most of the rest do so in March, 1981/82 will include December 1981 and March 1982.) Most of the information quoted is taken from the publications of ICC Business Ratios.

Comparisons with other industry sectors

Profit margin: Publishers, who had the fifth highest profit margin (profit/sales) of the manufacturing sector in 1978/79 (10.8%) dropped to just above halfway in a sample of 86 sectors for the year 79/80 - median 6.7%, book publishers 6.8%. Since then this ratio has declined further to 5% (80/81), then recovered to 7.2% in 81/82.

Return on capital employed (ROCE):

Publishers, who had the 14th highest ROCE in 78/79, dropped to 41st of the 86 sectors with a ROCE of 15.1%. But as some industries are not strictly comparable in terms of asset structures it is more satisfactory for comparison purposes to use the Return on Total Assets rather than ROCE. This broader measure generally provides a better basis for comparison because in ROCE current assets are netted off against current liabilities and in some businesses a very large proportion of total assets are tied up in stocks and work in progress.

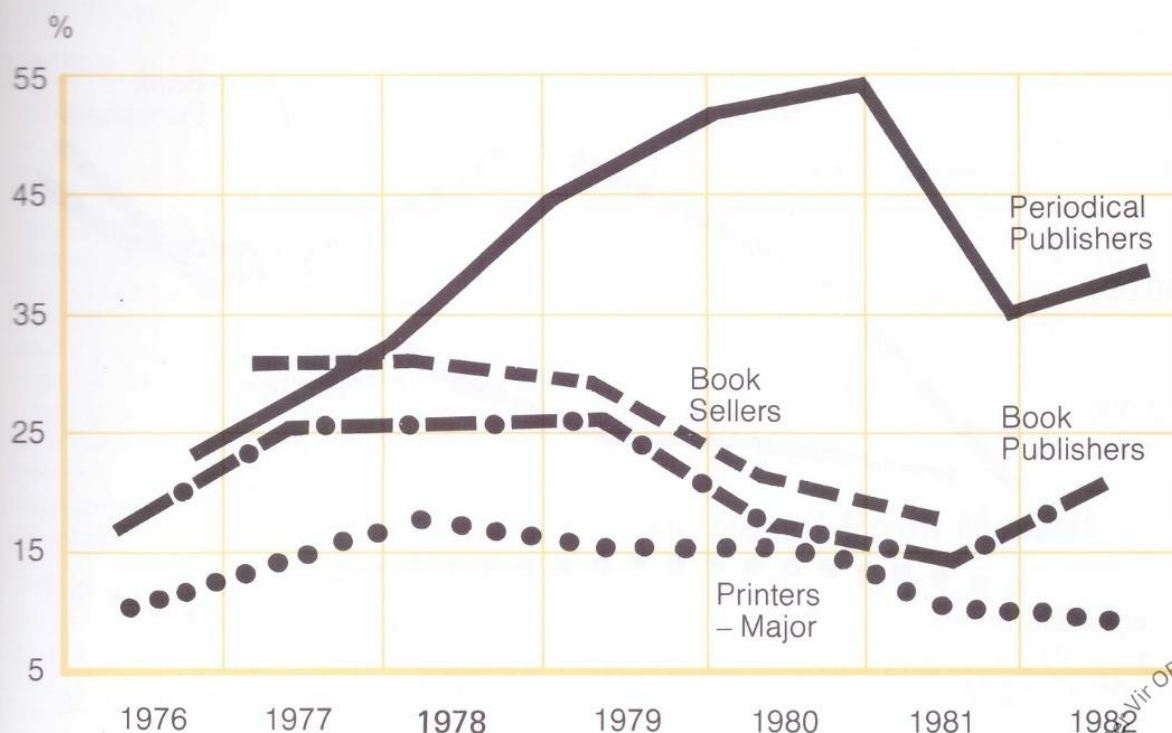
Return on total assets: The median figure for 86 manufacturing sectors was 8.6% (the average being 8.9%). Book publishers were in the bottom half with 7.5%. The services and the distribution sectors of the economy were both better than the manufacturing sector, returning median figures of 8.8% and 10.3% respectively.

Average salaries: In 1979/80 book publishers rose to 23rd of the 86 sectors, having been 42nd in 1978/79.

Sales per employee: Book publishers were 19th of 86 manufacturing sectors, having been 43rd in 1978/79.

Return on capital employed (ROCE): Publishers, who had the 14th highest ROCE in 78/79, of the 86 sectors with a ROCE of 15.1%. dropped to 41st

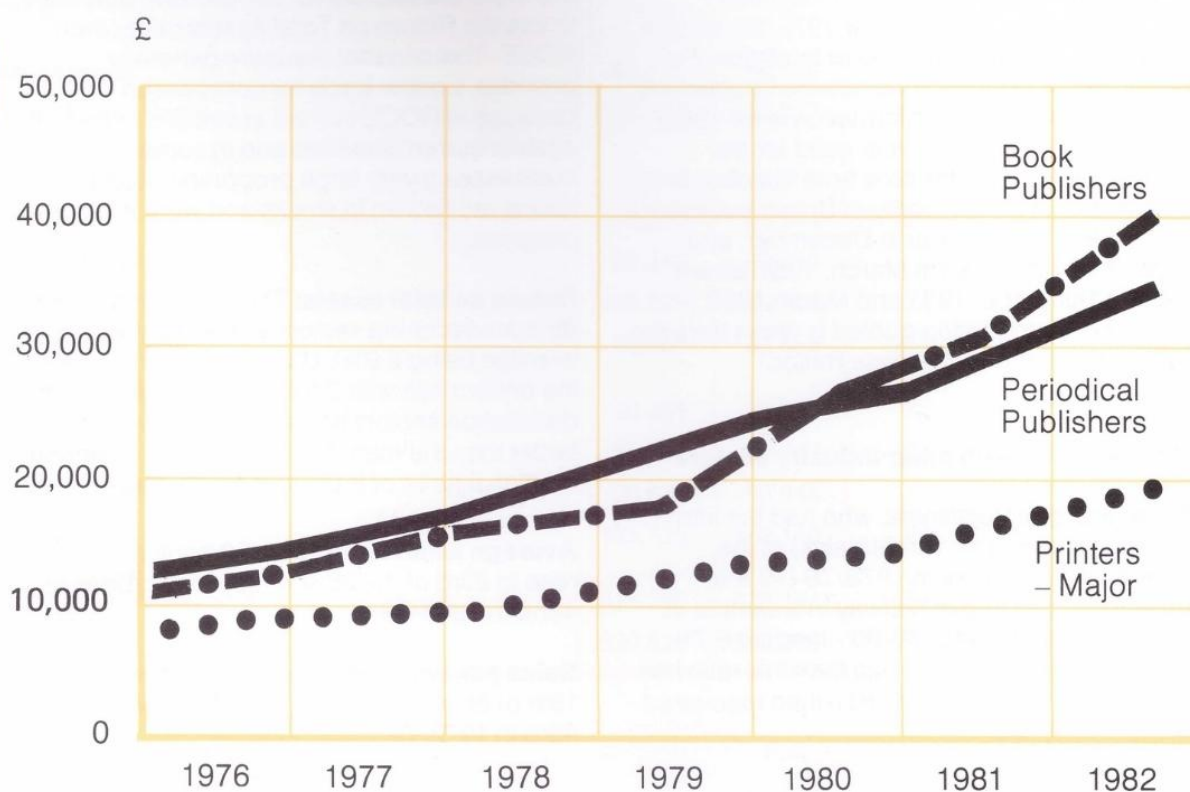
Return on capital



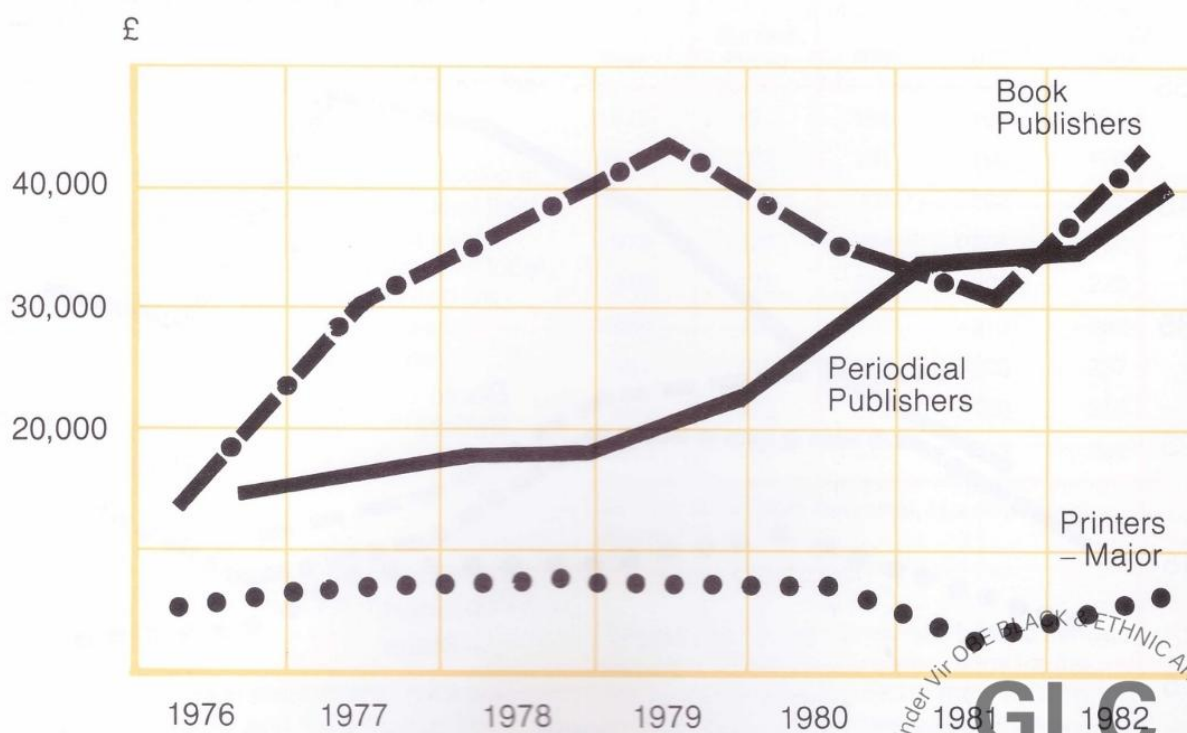


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Sales per employee



Profit per employee



Comparisons between publishers

ROCE - book publishers 1974/81:

74/75 - 16.6%	78/79 - 25.1%
75/76 - 17.7%	79/80 - 15.1%
76/77 - 25.0%	80/81 - 12.1%
77/78 - 24.7%	81/82 - 18.3%

The industry average declined suddenly from an excellent 25.1% to 15.1% in 79/80, then 12.1% in 80/81, but has now recovered to 18.3% (81/82).

Profit margin: Also declined - from 10.7% (78/79) to 6.8% (79/80), then 5.0% (80/81), and has also subsequently recovered - to 7.2% (81/82). Profits themselves declined 18% from 79/80 to 80/81 then grew 67.5% from 80/81 to 81/82 - giving an overall profits rise for the two-year period of 35.3%. In 78/79 only one company made a loss, yet by 80/81 20 of the 52 publishers included in the survey reported losses. The 81/82 survey shows a decline in the number of lossmakers to 10 companies.

The 'top ten' by profit margin in the ICC survey for the year 81/82 (covering about 60 major publishers) were:

Ladybird	19.4%
Longman	18.1%
Butterworth	17.6%
Mills and Boon	15.1%
Octopus	13.2%
Heinemann Group	11.3%
Blackwell Scientific	10.3%
John Wiley	10.1%
Penguin	9.7%
ABP	9.5%

The years 1979 and 1980 saw a significant drop in demand (from the public; libraries; schools and universities, etc.) together with rising production costs, a strong pound, and much increased interest rates. As a result margins fell substantially. The corrective action - tighter cost control, destocking, cuts in publication programmes, redundancies, non-replacement of staff, and attempts to get earlier returns on investment through such strategies as remaindering a book after a couple of years - continued to varying degrees in 1981 and 1982. In those years demand was still weak; a recent report comparing 1982 with 1981 shows modest overall sales growth, but points out that this resulted mainly from price increases, i.e., improved sales margins, which thus disguise a decline in sales volume. This decline in sales volume is expected to continue (based on past and present conditions) at least until 1985.

Beyond that it is hard to forecast. However, the corrective action taken, together with a lower pound and a lower rate of increase in production costs, helped to raise profitability to much improved levels in 1981 and 1982. The share price of publishers quoted on the Stock Exchange rose considerably, thus implying market confidence in the future profitability and stability of those companies.

The Labour Market

These trends are also reflected in levels of production and employment. Book publishing is a low wage industry. As the ICC report for 1981/82 says:

'Bearing in mind the number of well-qualified employees and the fact that printing is usually sub-contracted out, it is perhaps surprising that average employee remuneration is just £6,439, a 13.1% increase on the 80/81 figure.'

These low wages can in part be attributed, on the editorial side, to the hangover from an earlier period of a certain 'artistic', 'gentlemanly' image which sees mention of money as rather sordid, and encourages notions that employees should put up with low wages as a service to 'literature'. Such an ideology has made trade union organisation difficult. This has been exacerbated by the peculiar conditions under which the initial productive labour of writing is carried out, namely not as directly employed wage labour in general, but as freelance labour which is rented to publishers on a royalty basis. This has made it easy to split editorial workers from writing workers. There are hopeful signs that these attitudes are breaking down - both in the writers' campaigns around the minimum agreement and in the NUJ's minimum wage campaign which has been supported by writers.

Low wages can also in part be attributed to the fact, not unconnected with its artistic image (the same factor that explains the high proportion of female students who study English), that publishing attracts a higher than normal proportion of female labour, two-thirds of the NUJ Book Branch are women. These influences on low pay have been exacerbated recently by a growth in freelancing (the number of freelancers in the NUJ Book Branch rose from 60 to 100 in 1982/83).

The Retail Book Market

According to the Book Marketing Council less than 0.4% of consumer spending is spent on books, less than £10 per head per year. Only 25% of reading activity is devoted to books, and 50% of book purchases are by impulse. Moreover it has been estimated that these impulse buying decisions are taken within 10 seconds of sighting a title.



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Nonetheless the idea much touted both by prophets of gloom within the publishing industry and by wild-eyed advocates of new technology, that the printed book is losing out to electronic entertainment and information in the fight for consumer preference and spending, is not borne out by recent figures which shows spending on books as remarkably buoyant.

As the following tables show the index of consumer spending on books not only rose faster than total consumer expenditure but that expenditure on books has risen while expenditure on newspapers and magazines has fallen. They also show that while the price of books has risen slightly less fast than the RPI, consumer expenditure on books rose slightly faster.

Moreover recent Publishers Association figures

show the trend continuing with book sales out pacing total retail sales in 1980 and 1981.

Nonetheless prospects for the UK book trade do not look promising. The Henley Centre in their most recent Leisure Futures forecast a downturn for books:

"There are few reasons for optimism on substantial overall improvement in unit sales and spending in real terms."

And Market Research of Great Britain in their January 1983 report on books estimated a rise in domestic sales from 1983 £703 million to 1985 £950 million representing a 2% annual decline in real terms.

This lack of optimism is in part explained by the fact that the book market is structured in two segments, the retail and the institutional, and

Table 7: Consumer's expenditure at constant 1976 prices £ million

	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978
Books	100	108	121	138	138	143	148	144	135	142
Magazines	100	99	97	97	97	90	82	77	76	76
Newspapers	100	97	95	97	96	93	89	86	86	85
Cinema	100	89	82	63	63	66	59	50	48	56
Other entertainment	100	100	106	121	135	151	162	178	181	192
Misc. recreation	100	108	113	129	147	157	157	158	157	165
Total consumers expenditure	100	103	106	112	117	115	113	114	113	119

Source: P. Curwen The UK Publishing Industry.

Table 8: Average Price Per Title - Consumer Expenditure

Year	As price per title £	% inc on previous year	Index 1974 =100	Retail price index 15.6.74 =100	Consumers total expenditure on books at current prices £m	% inc on previous year	Index of consumers total expenditure on books 1974 =100
1968	2.10	—	87	65	—	—	—
1969	2.35	11.9	64	69	73	—	42
1970	2.77	17.8	76	73	82	12.3	48
1971	3.39	22.3	93	80	104	26.8	60
1972	3.22	(5.0)	88	86	134	28.8	78
1973	3.24½	0.8	89	94	139	3.7	81
1974	3.65½	12.6	100	109	172	23.7	100
1975	4.67	27.7	128	135	201	16.9	117
1976	5.89	26.1	167	157	236	17.4	137
1977	6.58	11.7	180	182	288	22.0	167
1978	7.34	11.5	201	197	348	20.8	202
1979	7.87	7.2	215	224	399	14.6	232
1980	9.09	15.5	249	264	479	20.0	278
1981	10.05	10.6	275	295	561	17.3	327
1982	11.46	14.0	313	320	—	—	—

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while the former has remained surprisingly buoyant the latter is affected by government public spending policy via educational and local authority library expenditure. But this importance of public sector expenditure in the book market largely controlled at local authority level, opens up the possibility of developing an interventionist policy. We will return to this question when we consider the economies of bookshops.

Table 9a: UK retail book market 1981

	£m	%
Consumer spending	562	74
Institutional	200	26
of which public libraries	50	7
Educational	100	12
Other	50	7
Total	762	100

Source: Euromonitor

In the GLC area public expenditure on books in 1982/83 is estimated as follows:

Table 9b: Educational expenditure on books, educational equipment, stationery and materials

£000	ILEA	Outer London	Total
Primary	5,827	7,801	13,628
Secondary	9,927	13,449	11,376
Polytechnics	4,930	3,452	8,302
Other H.E & F.E	6,047	5,552	11,599
Total	26,731	30,254	44,985

Table 9c

Public libraries: City of London	192,870
Inner London	4,067,850
Outer London	5,945,639
Total	10,208,359

Source: CIPFA

Table 10: Percentage source of book purchase

	Bookshop	W H Smith	Other stationer	Dept stores	Woolworth Books	Super-market	Book Club mail order	Other
ALL	24	28	20	3	9	3	19	13
ABC1	31	33	16	5	6	2	18	11
C2DE	17	23	25	2	11	4	20	16

NB: Others include Marks and Spencers.

To give some indication of what proportion of this is spent on books in 1982/83 the ILEA spent £2,941,578 on school books through the GLC Supplies department for the non H.E. and F.E. section

Book retailing

The major problem of bookselling lies in the nature of the product, i.e. a large number of product lines each selling at a low price and in low volumes. The result is a sector with notoriously low profitability.

The Census of distribution, now defunct, in 1971 gave a figure of 6,001 booksellers and stationers. But Curwen calculates that there are about 3,000 real bookshops of which only 400 are members of the Charter Group.

A Mintel survey in 1980 showed the sources of book purchases as follows:

The August-September review 1981 of Market Assessment estimated sources of paperback purchases as follows:

W.H. Smith/Menzies, other stationers	44
Woolworth and other chain stores	11
Bookshops	18
Newsagents, confectioners, tobacconists	16
Department stores	6
Other	5

These figures show, as in the newspaper and magazine field, the crucial strategic position occupied by W H Smith in particular and by stationers and newsagents in particular. The importance of W H Smith is reinforced if we also take into account Book Club sales a key, source of book purchases especially among C2DEs.

In 1979 the turnover of the Book Club/Mail Order sector was £80 million, of which £55 million went to book clubs and £25 million to Mail Order. Two-thirds of the Book Club market is accounted for by the Book Club Association, jointly owned by W H Smith and Doubleday, with about a million members.

Because a large proportion of club members





resign each year clubs are heavily dependent on promotional expenditure. As the following table shows clubs and mail order account for nearly 50% of the rapidly increasing advertising budget of the publishing industry.

Table 11: UK publishing industry – promotional expenditure 1975-82

£m	Clubs mail order	Pub- lishers	Total	Index: Real Prices
1975	1,620	1,231	2,851	100.0
1976	2,050	1,862	3,912	137.2
1977	2,773	1,984	4,757	166.9
1978	4,352	2,146	6,498	227.9
1979	4,877	3,323	8,200	287.6
1980	5,802	4,732	10,534	369.5
1981	7,754	6,249	14,003	471.2
1982	7,299	7,398	16,697	515.5

Table 12: Largest advertisers 1982 – £000s

1 Mills and Boon	525.8
2 Readers Digest publications	403.0
3 Encyclopedia Britannica	387.7
4 Penguin	343.3
5 Collins	310.1

A new factor in the Book Club market has been the recent intervention of Bertelsman, the German media giant, which in 1977 introduced a new club in the UK called Leisure Circle. Leisure Circle recruits by door-to-door selling and targets the non-book buying public. It has been very successful among C2DEs especially women. Of its estimated 1981 membership of 150,000, 80% were women. Leisure Circle is aiming for a membership of a million and they aim, as in Germany, to make their choices available through bookshops, perhaps even setting up their own retail chain.

Table 13. Overall results 1971-81

	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981
No. of questionnaires analysed from booksellers	192	352	353	376	385	335	342	343	346	347	346
Total new book sales £000	24,593	43,227	45,800	55,996	65,542	81,747	93,016	103,503	109,700	122,800	137,500
Sales other goods £000	13,638	18,644	18,849	24,424	29,560	32,434	39,485	46,199	52,400	45,750	64,600
Total sales £000	38,231	61,871	64,649	80,421	95,102	114,181	132,501	149,702	162,100	168,550	202,100
% sales – new books Retail	49.4	50.5	51.2	51.2	53.0	54.7	56.4	53.9	54.8	60.1	67.0
Library	8.3	9.4	9.6	8.9	4.3	9.3	8.0	9.4	8.9	8.2	7.1
Book agents	0.3	0.6	0.4	0.4	0.5	0.9	0.4	0.3	0.3	0.4	0.4
Schools	6.3	0.4	9.6	9.1	6.1	6.7	5.4	5.5	3.7	4.2	3.5
	64.3	69.9	70.8	64.6	68.9	71.6	70.2	69.1	67.7	72.9	68.0
% sales – other goods	35.7	30.1	29.2	30.4	31.1	28.4	29.8	30.8	32.3	27.1	32.0
	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Gross profit %	25.4	26.3	26.6	26.7	27.8	27.4	28.1	28.4	29.1	29.2	29.4
Total expenses %	22.0	21.6	21.7	22.3	23.5	24.6	25.0	25.8	26.3	27.3	28.6
(a) wages and salaries	12.7	12.7	12.4	13.3	14.1	14.7	15.2	15.1	15.7	16.8	15.4
(b) rent and rates %	2.7	2.9	2.7	2.7	2.9	3.5	3.5	3.6	3.7	3.9	4.7
(c) other working expenses %	6.6	6.0	6.1	6.3	6.5	6.4	6.3	7.1	6.4	6.6	8.0
Net (trading) profit %	3.4	4.7	4.4	4.4	4.3	3.3	3.1	3.1	2.8	1.9	0.8
Number of times book stock turned over per annum	4.3	4.7	4.4	4.2	4.0	4.2	4.1	3.9	3.1	3.8	3.5
Sales per person employed (£)	936	9,025	10,153	11,588	13,747	14,427	19,319	22,900	24,900	28,900	32,400
Sales per sq ft floor space (£)	42.3	41.9	48.7	52.8	58.0	71.1	82.1	87.0	93.3	111.6	110.0

Bookshops

Compared to other European countries the UK has a relatively small number of stockholding bookshops per head of population. This may be due to the widespread public library system since the UK comes high on comparative book reading surveys. But this does not explain the uneven geographical spread of good bookshops, where London is highly favoured.

The Booksellers Charter Group Economic Survey for 1981-82, the most recent of their annual surveys, paints a gloomy picture. As Table 20 shows, average net profit was only 0.8%, less than half the 1980 figure. While 17.2% of all shops showed net profits of 7.5% or over, 38.2% showed a net loss.

The Charter Group Survey defines the categories of shop as follows:

Category	Book sales
Small	£ 74,000 and below
Small/Medium	£ 74,001 - £117,500
Medium	£117,501 - £184,000
Medium/Large	£184,001 - £340,000
Large	Over £340,000

The simple point is that, although there is a wide variation between categories, as Tables 14a and 14b show, large shops are more likely to make a profit than small.



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Table 14a. Net profit or loss by size of book sales

Net (trading) profit	All sizes % of shops	Small % of shops	Small/ medium % of shops	Medium % of shops	Medium/ large % of shops	Large % of shops
7.5% and over	17.2	13.4	16.0	21.8	19.1	18.3
5.0 - 7.4%	11.2	6.0	11.6	13.0	10.3	19.3
2.5 - 4.9%	16.0	13.4	16.0	16.1	17.6	23.1
1.0 - 2.4%	16.9	10.4	13.0	5.8	16.3	9.3
0.0 - 0.9%	6.5	7.5	1.5	5.8	7.4	10.8
Sub total	61.8	50.7	58.7	56.5	70.7	73.7
Net loss						
0.0 - 0.9%	7.7	3.0	8.7	10.1	8.8	7.7
1.0 - 2.4%	7.4	10.4	10.1	7.3	2.9	6.2
2.5 - 4.9%	7.7	15.0	4.3	8.7	4.4	6.2
5.0 - 7.4%	3.3	1.5	4.3	5.8	4.4	0.0
7.5% and over	12.1	19.4	14.5	11.6	8.8	6.2
Sub total	38.2	47.3	41.9	43.5	29.3	26.3
Total	100.0	100.0	100.0	100.0	100.0	100.0

Table 14b. Loss trends - Business showing a net loss (% of expenditure)

	Small	Small/ medium	Medium	Medium/ large	Large	All
1980/81	47.9	34.9	20.5	24.4	16.5	30.8
1981/82	44.3	41.4	43.5	29.3	26.3	38.2

One result of the increasingly low profitability of book retailing is the low level of wages.

Table 15. Average salary

	Sales category 1980	Salary per head 1981
Small	4,310	4,070
Small-medium	6,010	5,630 including working
Medium	6,810	7,150 direction and
Medium/large	8,590	8,280 proprietors basic
Large	9,390	10,600 salaries



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Schoolbooks and Libraries

As we have remarked institutional sales represent a significant proportion of book sales. Charter booksellers obtain nearly 20% of their turnover from such sales, although as Table 19a shows, this business is markedly dominated by large shops which draw 27% of their sales from this source. It has been estimated that 20-25% of charter bookshops would go out of business if the institutional business was removed.

At present this business is threatened by:

- cuts in local authority expenditure on school books provision and public library book purchases;
- the expansion of specialist educational suppliers, some of which are considering moving into library supplies as well;
- the tendency of the libraries to break the Net Book Agreement with the connivance of the publishers, desperate to increase turnover.

Euromonitor's Book Report 1982 shows the remorseless decline of educational and library expenditure on books since the mid 70s:

A working party convened by the National Book League in their 1979 report *Books for Schools* deplored the increasingly inadequate provision of books in schools and in particular drew attention to the potentially strategic role of LEAs in supporting bookshop provision:

"We would urge LEAs to provide some facility for "local purchase" and to have regard to the desirability of using the LEA's purchasing power to encourage local bookshop provision where this seems appropriate and where financial considerations permit it."

It should be noted that, apart from a small amount of discretionary spending allowed to individual schools for bookshop purchase, the ILEA does not purchase through bookshops. Schools are either supplied direct from the

Table 17. Education and library book expenditure in real terms

	Total spending	RPI
1975	90	90
1976	97	83
1977	110	81
1978	124	85
1979	134	81
1980	142	73
1981	190	69

Source: Euromonitor

GLC Supplies Department or borrow from the Learning Resources Centre School Library Service, which in turn buys from Library suppliers. In 1982/83 the ILEA spent £2,941,578 through GLC Supplies and about a further £250,000 on books for the Library Service.

The position of public libraries and their purchasers is particularly crucial in the UK. In 1965 it was estimated that ten books were borrowed for every one sold, very high by international standards. In West Germany more books are bought than borrowed while in the US the numbers are roughly equal.

Public libraries are far and away the largest area of both local authority and national expenditure on culture. In 1981/82 they received £320.5 million out of a total £460.8 million of local authority expenditure and £359.6 million out of a national total of £673.8 million. This compares nationally with £137.0 million spent on museums and galleries and £177.2 million spent on all other cultural activities.

In recent years not only has there been a downward trend in such expenditure but it has proportionally hit book purchases as expenditure on staff in particular has been well defended. The National Book Committee in

Table 16. Education and library spending on books

School, polytechnics, other FE	76/77	77/78	78/79	79/80	80/81
England and Wales	53.6	99.3	64.8	69.8	73.0
Estimate for Scotland and Northern Ireland	7.0	8.0	9.0	10.0	12.0
Universities	6.9	8.1	9.2	9.5	10.6
Total educational	67.5	75.4	83.0	89.5	99.6
Public libraries	32.8	37.1	44.0	47.1	48.1
Total	100.3	112.5	127.0	136.1	143.7
%increase in previous year		12.2	12.9	7.6	8.2

Source: Euromonitor



The Silver Moon women's bookshop and cafe in Charing Cross Road, established with support from the GLC. Support for bookshops has been a major priority of the GLC arts policy.
(Photo: GLC). Working for London
archive.parvindervir.com

THE BLACK & ETHNIC ARTS ARCHIVE



Turnaround Distribution – providing an efficient distribution service for independent and radical book publishers, with support from the GLC and GLEB. (Photo: GLC)

their recent report 'Public Library Spending in England and Wales' point out that:

"The proportion of total library expenditure made available for book purchasers has fallen from 24% in 1966-67 to 17% in 79/80 to 15% in the estimated figures for 82/83."

London boroughs spent on average £1.32 per person in 1981/82 and their spending has fallen in value by 20% since 1978. Those quarters of boroughs have cut expenditure. On the basis of estimated figures for 82/83 ten of them have reduced their book fund in real terms by one third or more against the 1978 value. It should be stressed that we are talking of a relatively healthy situation. Average expenditure for 82/83 for the English counties is 83p per head and for the English Metropolitan districts 96p.

Conclusions

The production and distribution of books, arguably still the mainstay of a pluralist and critical cultural practice is characterised by increasing concentration of economic power

and low wages both among writers as well as among workers in production and distribution. Indeed as the results of a recent survey of writers' earnings carried out by the Society of Authors shows the writing of books can no longer be regarded seriously as a form of gainful employment.

It is, however, an industry in which the public sector could exert considerable leverage in both production and distribution. It could refuse, for instance, to deal with publishers who do not observe the Writers Minimum Terms Agreement or who do not pay the NUJ recommended minimum. More significantly it seems undesirable, to say the least, for the GLC to have a bookshop policy which is not linked either to the ILEA or the London Boroughs Public Library purchasing policies.

Given the marginal profitability, in spite of low wages, of small bookshops it would seem desirable to explore linkages between book distribution and retailing and the distribution of other cultural goods and services e.g. video-taps, records in bookshops, bookstalls in cinemas, theatres, sports centres or indeed within supermarkets.

Informational publishing is likely to be transformed over the next decade by electronic technology, as another report examines, with perhaps a serious impact on bookshops as a channel for non-fiction. Therefore plans for neighbourhood computer bureaux need to be

linked to any strategy for bookshops, just as any strategy for bookshops needs to be linked to strategies in the distribution and retailing of other cultural goods and services.

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The Bookseller	Charter Group Economic Survey 1981-2

Appendix: Community-based bookshop projects in Greater London

That market forces and the interests of a popular and informed cultural democracy are not synonymous is in our present society fairly obvious. Nowhere can this be seen more clearly than in the provision and accessibility of bookshops. For some decades the number of comprehensively stocked bookshops (and second-hand bookshops) has been in decline, whilst censorious and limited range chain-stores such as W H Smith and Menzies have taken over the market in book selling. Increasingly bookshops which are responsive to the wide range of interests to be found in any community - and particularly in the multi-cultural and politically heterodox communities of which London is comprised - are going to need to be financially assisted.

Over the last decade London has seen the emergence of a number of well-run community bookshops as well as more specific independent bookshop initiatives catering for Feminist, Black and Asian communities. Some of these have received support and encouragement from the ACGB, GLAA, independent trusts and local authorities, but as far as I know not so far from the GLC.* Such bookshops need consistent and generous financial support and the GLC could show the way by developing a committed bookshop policy.

These bookshops have played an enormously important part in the spread of new ideas over the past decade - particularly with regard to the Women's Liberation Movement, the growth of black consciousness, the extraordinary growth of working class history and working class writing - and are one of those rare places in our present society where the political, the cultural, the educational and the recreational meet and inform each other.

But why subsidise? Many of them endeavour to

be financially self-supporting, but this is frequently impossible because they also involve themselves in related activities which are non-trading and non-commercial such as doubling as advice centres or literacy projects. The shop which consciously stocks a wide range of, say, books on ecology, on women's poetry, on children's books in Turkish or African novelists for example is clearly flying in the face of 'sound commercial instincts' and other varieties of cultural monetarism.

Support for bookshops is also support for much else

Many of these bookshops have also become publishers themselves. Finding how unresponsive commercial publishing has been to working class writers, to more local needs for local histories, and with the easier accessibility to printing facilities, a number of London bookshops now run distinctive publishing projects themselves. This is true for Centerprise, Peckham Bookplace, Bogle L'Ouverture, THAP Bookshop, Reading Matters and probably others. In this way many new significant writers have been discovered, poetry has been made popular again, a revived interest has been engendered in local working class history, and many adult literacy students now find they have easy-to-read books about the lives of people like themselves, rather than having to have their sense of failure exacerbated by having to learn from Ladybird or Janet and John type readers.

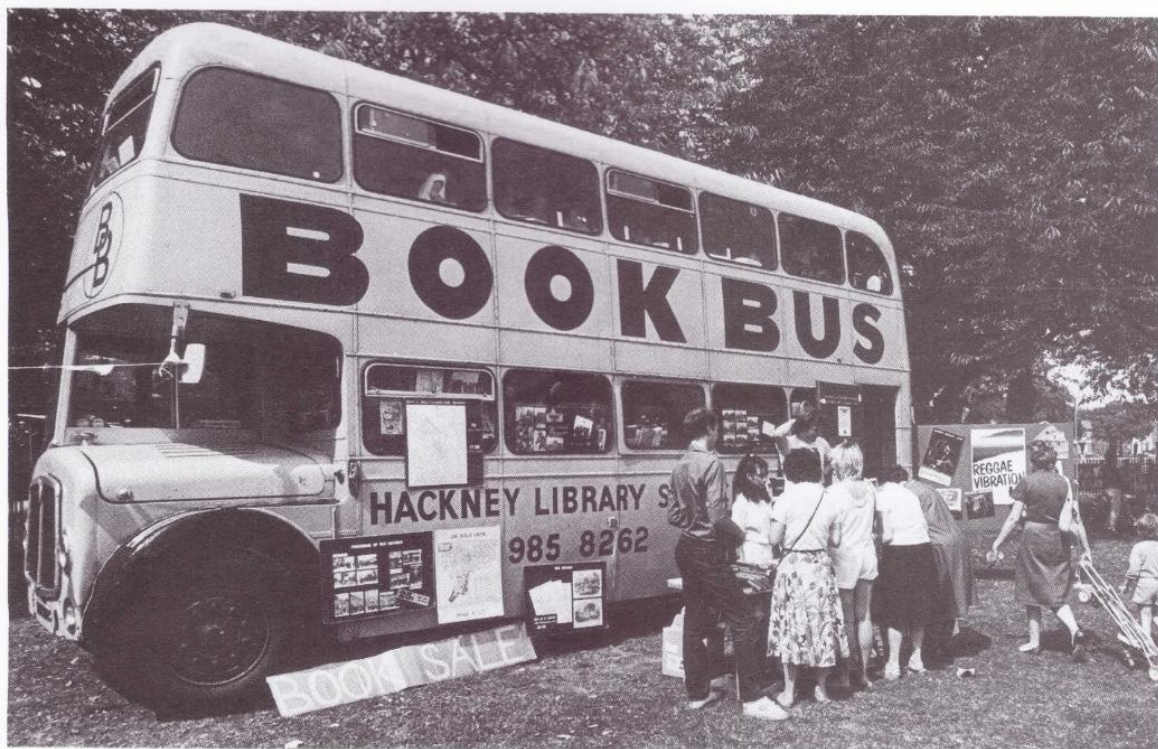
Librarians, teachers, critics and writers themselves all agree that there was a 'renaissance' in children's literature in the 1960's and 1970's, and many of the 'community'/independent/alternative bookshops have played a very important part in encouraging an interest in children's books, particularly in developing a non-racist/non-sexist aesthetic in children's literature. Many run bookstalls in schools and at community festivals and often invite the writers themselves to come and talk to children about their work. Many also go to some lengths to import children's books from Asia, Africa and the Caribbean, in order to be able to offer books which describe life in other countries in which many London people have a direct interest.

Such bookshops are often also meeting places or contact points in the specific community they serve (which may not necessarily be a geographical community, but instead a community of interest such as that of feminism or black self-organisation). Bookshops such as Peckham Bookplace, THAP, Centerprise, Sisterwrite literally do have meeting rooms/coffee bars where people may formally and informally meet to talk and campaign. The making available of such resources is of course non-commercial - but it is very important. Some of them offer a Box Number service for voluntary groups or become the focal point for particular campaigns such as the New Beacon



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*There is, of course, no longer the case at all. The GLC is now one of the most important sources of funding for many London bookshops. (KW, August 1984).



Bookshop for the Deptford Fire Campaign. The Bogle L'Overture (now Walter Rodney) Bookshop was the centre for the campaign against racist and fascist attacks on bookshops.

The Hackney Bookbus – taking books to people. A good example of imaginative local authority provision. (Photo: David Hoffman)

A number of these bookshops are also venues for various kinds of adult classes, poetry readings, writers' workshops, because it is felt they provide a much more inviting venue than school classrooms for some kinds of activity. This is particularly the case with adult literacy classes where a number of people have described their reluctance to attend literacy classes in schools as a wish not to return to the scene of their first failure. THAP, Peckham Bokplace, Reading Matters, Centerprise and maybe others all have a programme of evening classes, local history workshops, writers' workshops, literacy classes on their premises in the evening.

Other areas which may need support

Hackney Borough Libraries Department has recently pioneered a scheme for the setting up of small bookshops in libraries. The GLC Community Arts Committee might be asked for help towards similar projects elsewhere and, where appropriate, help should be offered.

It is also important that second-hand bookshops should be seen as potentially eligible for support. In the past the many second-hand bookshops in London (of which there are very few now left) played an important part in the educational, political and cultural life of working class people. Without such shops a very valuable link with the past is lost as books disappear from print and ultimately from people's memories. Were it not for important initiatives like that of the feminist publishing house, Virago, who have pioneered a very

significant collection of reprints of early novels which reflected feminist aspirations, whole generations of writers and books would be lost to memory. Second-hand bookshops can also provide a valuable collection point for people's individual libraries which often get thrown into dustbins or dumped by house clearance agents when the owner dies. The last 3 years have been a critical period for second-hand book traders. Turnover has fallen by 75% and rent costs have increased substantially (for instance, by 200% in the Charing Cross Road area of London). Without some form of support London is in danger of losing its traditionally strong second-hand book sector - a sector which has, in the past, been a valuable resource for working class people.

[Policy Document written at the time of the setting up of the GLC Community Arts Committee.]

CHAPTER 5

ADVERTISING

Chapter 5

ADVERTISING

Geoff Mulgan

stations, Capital, takes nearly a quarter of commercial radio's total revenue, while London's population also supports nearly 80 free local newspapers as well as free magazines like *Ms London* and *LAM*.

For the average Londoner advertising also provides a pervasive source of information, images, jokes and catchphrases whether on the roads, on public transport, the air waves or even on milk bottles.



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Advertising as a cultural industry

Advertising is a cultural industry. What this means is that it is involved in the systematic production of meaning through manipulating symbols, images, narratives and sounds. Apart from its secondary links with other cultures and cultural industries - its appropriation of everything from visual surrealism to punk rock and its role in the finance of the media - advertising has many parallels with other cultural industries.

One parallel is the pivotal role of the 'creative executive' in the advertising industries' business organisation. As so little modern advertising bears directly on the qualities and price of a product, and so much is about building up associations, there is a very high premium on creative ingenuity and a heavy stress on treating the advertisement as a work of art or culture in its own right.

Advertising's development as a cultural form means that it plays a crucial ideological role in modern Western society both as part of a general ethos of consumerism, and in reflecting and reinforcing roles of women as housewife and mother, of white men as dynamic decision makers, and indeed in the 'symbolic annihilation' of ethnic minorities, of single parent families and many others. Its role in this respect is not simply the glorification of the material and the mundane. Instead it is the non-material ideals such as love, health, security and happiness which often play the most important roles in the advertisers' repertoire, as products are sold as integral parts of a particular life style.

The advertising industry is one of the wealthiest producers of culture in this country and can command many of the best writers, film directors' studios and photographers. Advertising's weight in the cultural market is a straightforward effect of wealth. For example the typical cost of a 30-second television advertisement, (around £70,000), is about twice the average cost to BBC of producing a whole hour of programming. Thus it's hardly surprising that advertisements on television are often more entertaining, funnier and more stylish than the programmes which surround them. From another perspective the advertising industry's net annual income is about 5 to 6 times that of the Arts Council.

The advertising industry's wealth is based on

Introduction

This chapter is about the advertising industry in London. It is also about the impact of advertising on other cultural industries such as the newspaper and broadcasting industries, and, through sponsorship, on everything from classical music to football. Because large parts of the media are wholly or largely financed by selling space to advertisers the kinds of media of communication that are available to us are profoundly affected by the dynamics of advertising.

In 1984 advertising expenditure as a percentage/GNP, rose to its highest ever level at 1.49%.

The advertising industry is a major industry in its own right, and one of the largest employers of artists, photographers, typographers, copywriters, film technicians and sound recordists. About 20,000 people work in the advertising industry in London, 59% of the UK total. Most of the £4,055m spent on advertising in Britain in 1984 played some part in the capital's economy, whether as income for the hundreds of advertising agencies which are based in London, or as revenue for the big television companies, commercial radio or the national and local press.

London plays a disproportionately important role in British advertising both as the hub of the industry and as a wealthy and influential market. Two of the wealthiest ITV stations (Thames and LWT) broadcast to the London area. Together they account for nearly 30% of ITV's total revenue though they cover only 19% of the homes.

Just one of London's two commercial radio



the role advertising now plays in modern business organisation. Advertising can be used to sustain demand for products of mass, continuous production techniques. For the large company it can also be used as a barrier to keep out potential competitors, while conversely, for the small company it can be the means to breaking into a market with a new product. The fact that advertising is itself a cultural product means that its impact on a market can never be accurately predicted. Its attractiveness to large corporations, is, however, that it (along with marketing and market research) brings a degree of calculability and prediction to a world of changing tastes and demands. In an age when investment decisions have to take into account possible demands many years into the future the ideal of market control is extremely attractive to the modern corporation, however difficult it is to achieve in practice.

In this context advertising is seen as investment in markets rather than (as in the past) something of an optional extra to be financed out of profits in a good year. The continued rise in real advertising expenditures throughout the Western world during the current recession is highly significant and without precedent. In many companies in many different industries it is often considered rational to cut the workforce and plant in order to maintain or even increase advertising expenditure. For the large manufacturer or retailer the dominant assumption is that a significant reduction in advertising expenditure will lead to the rapid, and probably permanent, loss of markets to competitors. As one advertiser put it 'We are in a free market so if everybody else jumps over the cliff we have to go over too.'

General Trends within the Advertising industry in the mid-1980s

1984 saw advertising reach a record level of £4.05 billion, a rise of 13% on 1983. This represents 1.49% of the GNP, the highest percentage ever recorded.

● **Fragmentation:** The advertising industry sees itself at the beginning of an era of media fragmentation determined by technological developments, such as cable, satellite, video and the revolution in information processing and transfer. In the long run it is argued these will transform the mass media, like broadcast television, into minority media aimed at highly specialised and differentiated audiences. According to the editor of one of the industry's main trade magazines:

'It is clear that the whole pattern of advertising which has varied remarkably little in the last 20 years now faces major change from the proliferation and expansion of advertising media consequent on technological development . . . budgets will not increase at anything like the same rate as opportunities to

spend them . . . tools of audience measurement which have served so well will be subject to calls for major overhaul . . .'

Fragmentation in the media is also being paralleled by fragmentation in the role of the advertising agency, and a shift away from the 'full service' agency to so-called 'a la carte' buying, where different agencies are used for different roles, creative, media buying and market research.

● **Commercialisation:** The new media are acting as a vanguard which is increasing the relative weight of commercialised cultural forms. These are generally being developed according to market principles rather than the alternative principle of public service and regulation. This is leading to a proliferation of advertising media space and of opportunities for direct programme sponsorship (through local radio, cable and video and Channel 4). In addition the arts and sport are increasingly being seen as marketing tools by large corporations.

● **Multinationalisation:** The long term trend towards multinationalisation of the world advertising industry is continuing. The needs of multinational companies for multinational brands and economies of scale are putting pressure on advertising agencies which fail to adopt a parallel, multinational structure.

● Integration and diversification

Advertising is increasingly integral to the modern capitalist economy. The current recession, compared to 1974/5, has demonstrated that few major manufacturers can now afford *not* to advertise. Whereas during the 1974/5 recession advertising expenditure fell sharply it has continued to rise in real terms throughout the current recession. Internationally, following a period of stagnation up to 1973/4, and severe cutbacks in 1974/5, advertising has experienced steady growth.

Advertising has also demonstrated its new found respectability by developing its use of the City to raise capital, while its profits have been used to diversify into related sectors like the news media, sponsorship and PR.

Advertising Agencies

Advertising agencies lie at the heart of the advertising industry; it is they who organise campaigns, produce scripts, graphics and themes and who buy media space for advertisers. In Britain the great majority of the agencies are based in London. According to the Institute of Practitioners in Advertising, which includes the great majority of agencies, 72% of agency employees, 10,000 people, work in London. It is an intensely competitive world, in which it is common for senior executives of established firms to be working for London

SAATCHI & SAATCHI COMPANY

Advertising no longer just sells products – it sells politics too. It was the Saatchi & Saatchi campaign for the Conservative Party ('Labour Isn't Working') which helped secure a Conservative victory in 1979. (Photo: GLC).

and set up on their own, often taking accounts with them, and in which talented individuals like first division football stars are sometimes transferred, at great cost, from one agency to another. Large accounts regularly move from one agency to another.

The agency world is centred around the 20-30 top agencies who alone are able to organise campaigns for the largest advertisers. In 1983 the top 20 agencies were responsible for 44.6% of total billings, compared to 18.8% for the next 30 and 36.6% for the rest. For the higher value-added television advertising there is even greater concentration; the top 20 agencies handle about three-quarters of all billings.

As in the rest of the world the agency scene in Britain is largely dominated by US-owned agencies. Most of these followed the great wave of US internationalisation after the war and consolidated their position in the 1960s. Since 1962 the number of US owned agencies in the *Campaign* (an advertising trade paper) 'Top Ten' (a crucial reference point for agency personnel) has increased from 4 to 7. These form very minor parts of worldwide advertising systems; for example J. Walter Thompsons' British subsidiary, the second largest agency in

Table 1. Top 20 Advertising Agencies

1982 Agency	Billings in £m 1982	Staff 1982
1 Saatchi and Saatchi	114.00	555
2 J. Walter Thompson	108.00	518
3 D'Arcy-MacManus & Masius	90.00	469
4 Ogilvy and Mather	83.00	298
5 McCann-Erickson Advertising	74.15	374
6 Allen Brady and Marsh	65.11	347
7 Leo Burnett	64.70	245
8 Foote Cone and Belding	60.80	329
9 Young and Rubicam	58.85	316
10 Dorland Advertising	54.00	270
11 Collett Dickenson Pearce	52.17	225
12 Ted Bates	48.81	188
13 Boase Massimi Pollitt	48.10	175
14 Geers Gross	47.00	130
15 SSC and B:Lintas	40.40	205
16 Davidson Pearce	39.00	170
17 Grey Advertising	37.20	138
18 Benton and Bowles	37.01	219
19 Doyle Dane Bernbach	34.00	174
20 Abbott Mead Vickers SMS	29.60	84



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this country, made profits of just over £2m in 1981 compared with JWT's worldwide profits of \$332m.

The largest group in worldwide advertising is the Interpublic Group which owns among others McCann-Erikson Advertising (no.5), SSC and B Lintas (no.15) and Wasey Campbell Ewald (no.23), giving it combined British billings of £61.55m in 1982. Six of the top ten agencies in Britain are also in the world 'top ten'.

Those agencies which are successful tend to acquire other advertising agencies, and then to diversify into related fields. Saatchi and Saatchi for example owns Dorland Advertising (no.10), Crawfords (no.45), Downton (no.72), two agencies in the USA, Compton Communications and McCaffrey and McCall, as well as interests in satellite broadcasting and cable. Other agencies are closely involved in aircraft films, videotex, public relations, market research and sponsorship. Young and Rubicam, the world's second largest advertising agency (the largest is Japan's Dentsu) now makes a third of its profits from acquired subsidiaries.

London as a creative centre

Within the world advertising scene Britain's London based agencies have developed a surprisingly strong position over the last few years, based on a reputation for high creative standards; the *Campaign* editor's recent assertion that Britain had a claim to 'pre-eminence as the agency centre of the world' held more than a grain of truth.

One factor behind this is the relative preponderance of high impact media which British advertisers enjoy; commercial radio, and television with 90 minutes a day of advertising compared to, for example, 40 minutes in Germany, 42 in France and 30 in Holland, and very high average viewing hours, relatively high newspaper readership and a highly developed magazine sector. Secondly, Britain like other English-speaking countries spends a relatively high proportion of GNP on advertising (1.49%) compared with 0.62% in Germany, and 0.51% in France. Thirdly London has often been the centre from which US owned agencies run their European operations. Because of this the British had, according to one agency employee, a chance to learn how to 'out-American the Americans'.

The challenge to American creative dominance was spearheaded by a number of creative 'hot shops' established in the 1960's, notably Collet Dickinson and Pearce (est. 1960) Allen Brady and Marsh (est. 1966) and Saatchi and Saatchi (est. 1970) now British advertising's own market leader.

Saatchi and Saatchi a world major

When Saatchi and Saatchi was formed in 1970 by Maurice and Charles Saatchi it aimed to project a 'youthful, progressive and innovative image'. After several years the company moved towards a more aggressive financial strategy launched by the successful reverse takeover of Compton UK, the UK subsidiary of a US advertising agency, in 1975. This has been followed in more recent years by the acquisition of the Dorlands Group for £5.6m in 1981 and in 1982 the takeover of Compton Communications, the world's 14th largest agency in 1981. In July 1983 the company acquired McCaffrey and McCall, another US agency, and in the autumn of 1983 moved towards raising £25m on the US stock market to help with further acquisitions. The company now makes half its profits in the US (where half of its staff are employed) but it remains very much based in London where it employs more people than any other agency (555 in 1982 a further 270 in Dorland Advertising and a couple of hundred in its other acquisitions).

Saatchi and Saatchi's rise has been based both on its creative ability and on its ability at self promotion. Its successful work for the Conservative Party paved the way for many large accounts; it has continued its political work, notably in South Africa for opponents of the new constitution. With 1984 turnover up by 42% (to £855.4 million) and profits up by 63% (to £18.3 million) Saatchi and Saatchi is now among the top ten world agencies. 56% of profits now come from US operations, where the company has concentrated on winning multinational clients like Proctor and Gamble, Bacardi, Johnson and Johnson, Du Pont, seeking to rationalise their international advertising.

Other British agencies are also cashing in on Britain's high creative reputation. CDP, one of the other 1960s hotshops, was recently able to take 60% of the shares in Young and Rubicam's second British shop, while Lowe Howard and Spink, itself a breakaway from CDP (in 1981) recently gained a controlling interest in the UK subsidiary of US owned Wasey Campbell Ewald, which is itself owned by the giant Interpublic Group. These developments are symptomatic of Britain's relative weight in the international advertising division of labour; they also reflect the pressure on smaller British agencies to align themselves with the multinational agencies.

Multinationalisation

In the last few years there has been a noticeable trend towards the multinationalisation of advertising accounts. This means that the large multinational advertisers have tended to rationalise their worldwide advertising to ensure that it is dealt with by a smaller number of a single network of

agencies, enabling them to deal with the agencies at a higher level and to cut costs. This has resulted in a whole range of account switches culminating in a record number in September 1983, which involved £85.5m worth of billings in Britain. The second factor behind these account switches was the 'no conflicting interest' rule which the multinational advertisers follow; in other words they will not permit their agencies to carry accounts for products which are in competition with their own. This meant that in September 1983 Young and Rubicam had to resign all its business with Proctor and Gamble in order to take on a \$120m account from Colgate Palmolive, Proctor and Gamble's great rival. Although Young and Rubicam benefitted internationally from this switch, its London office had to give up business worth £17m a year in exchange for considerably less from Colgate Palmolive. Other notable recent switches involved Cinzano, Beechams, Max Factor and Lee Cooper.

This trend towards more cost-effective use of resources based on centrally co-ordinated international campaigns has tended to work against the smaller agencies. Parker recently left LHS to link up with the multinational Ogilvy and Mather; Cinzano left CDP for the multinational Foote, Cone and Belding. It is largely as a result of these pressures that smaller agencies have had to establish links with international networks.

Global advertising, the use of a single campaign worldwide, has long been one of Saatchi and Saatchi's selling points. This is partly a result of the realisation that cultural barriers between high income classes in different countries are breaking down; according to S&S' latest annual report: 'the most advanced manufacturers are recognising that there are probably more social differences between Manhattan and the Bronx than between Manhattan and the 7th Arrondissement in Paris'. The development of pan-regional and then world branding enables manufacturers to take advantage of economies of scale to become the lowest cost producer, allowing the company to 'build a price/cost/value structure which will eventually put it out of reach of competition'.

The problem with international advertising, however, is that advertising is often most effective when it exploits cultural specificities. Even so, according to its proponents, the impact an advertisement loses by failing to exploit such specificities must be weighed against the reduced costs involved in worldwide advertising. According to Mike Townsin, Media Director of Young and Rubicam, the 'advertisers will to some degree or another exchange communications effectiveness for the economies arising from a centrally produced, single creative execution.' In some respects these trends reflect the US's ability to export culture and information which paves the way for Western consumption patterns. In the Third World huge advertising expenditures by multinational companies

(usually on television which uses a lot of US programming) have begun to develop a genuine world market even in the most culturally diverse countries. Genuine international branding and advertising is still at an early stage though. At the moment only 15 of the 50 most heavily advertised brands in Britain are marketed throughout Europe under the same name and nearly all use different forms of packaging and advertising. One recent example, which appears to have had some success, was Saatchi and Saatchi's use of the same British Airways television advertisement in 40 countries. The development of satellite broadcasting is likely to be an important factor in shaping the development of multinational branding and advertising. For the first time there will be a truly multinational medium capable of broadcasting the same advertisement simultaneously to hundreds of millions of households. It will also mean the possibility of breaking into markets like Sweden, where television advertising has never been allowed. Already representatives of Swedish business are calling for the introduction of advertising-financed television to give them an opportunity to compete with the multinationals broadcasting by satellite.

These developments pose a threat to many subsidiaries around the world since they will mean increasing centralisation of market strategy determination, creative design and execution. However, they will probably tend to accentuate Britain's relative advantage in the worldwide division of labour, at least for the larger and internationally linked agencies. In the medium term most agencies, including a few large ones like Allen Brady and Marsh, will continue primarily to serve national advertisers. However, the more multinationals increase their shares of markets worldwide the more there will be pressures on smaller British agencies firstly to establish international links, and secondly to be based in London and therefore closer to the international dimension. Some people expect that the industry will polarise between a few, multinational super agencies, and a large number of small national agencies.

Fragmentation

At the beginning of the 1980s while the advertising world awaited the impact of an increasingly complex and fragmented media it experienced a fragmentation of its own. The most important single factor behind this was the threat in the late 1970s that media organisations like the Newspaper Publishers Association and the Independent Television Companies Association would be taken before the Restrictive Practices Court unless the fixed, 15% commission system for agencies was abandoned. This meant that there was no longer a need to offer the full service of market research, creative work and media buying. Instead individuals and groups within the industry could set up on their own offering specialised services either for much lower



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commissions or for fees. Between 1979 and 1982 about 80 new agencies emerged. Over 30 of these were media buying organisations which could enable different creative agencies to overcome the capitalisation barriers governing access to buying space in the press and on television. In 1981 their trade association, the Association of Media Independents, claimed that its members had achieved total billings of £234m. Fragmentation in the media will put an increasingly heavy premium on media buying skills, suggesting that this development will continue.

Commissions now vary between 7% and the original 15%, while some agencies use a fee system; by comparison media buying agencies will tend to take commissions of between 3% and 5%.

Fragmentation in the roles offered by agencies has led to cutbacks in employment in agencies. Four of the top five agencies reduced their staffing levels between 1981 and 1982 despite increasing their joint billings by £38m. As a whole, agency employment in London has fallen by 1,500 over the last four years:

Table 2. Number Employed

	Total	In London
1973	15,700	12,200
1974	14,900	11,400
1975	13,300	10,000
1976	13,300	9,900
1977	13,900	10,600
1978	14,700	11,100
1979	15,300	11,400
1980	15,500	11,600
1981	14,700	11,100
1979	15,300	11,400
1980	15,500	11,600
1981	14,700	10,800
1982	14,000	10,100
In London: Men		5,900
Women		4,200

At the same time average agency profitability fell from 12.2% in 1980 to 8.6% in 1982 (as % of income). The upsurge in new agencies has also been reversed suggesting that the industry is still restructuring itself.

Employment in the agencies breaks down as follows:

	%		%
Exec. and Admin	23	PR	1.5
Copywriters	6	Production	10
Artists	9	Secretarial	15
Media	9	Other - incl Accounts/Admin	23
Marketing Service	3.5		

Like many other cultural industries advertising clusters around a central, relatively secure core in which administration and strategic decision-making are based.

The creative, artistic work is largely contracted out to a sector which is characterised by casualisation of labour and greater insecurity. This sector calls on the resources of the wider cultural labour market in scriptwriters, actors and actresses, photographers, models, film directors, technicians, etc.

The bureaucratic top heaviness which these figures imply must be weighed against the fact that a good deal of creative work is done outside the agencies by independent photographic houses and television commercial production companies.

4,200 of the employees in London agencies are women, yet of the 244 directors in the top ten agencies only 17 are women. None has more than 3 women directors including Saatchi and Saatchi which has as many as 46 directors

This is reflected in the representation, or rather misrepresentation of women in advertising, in particular the characteristic representation of the women as housewives, and the overwhelmingly male 'voice' of advertising and advertisements, whether it is men or women who are being addressed.

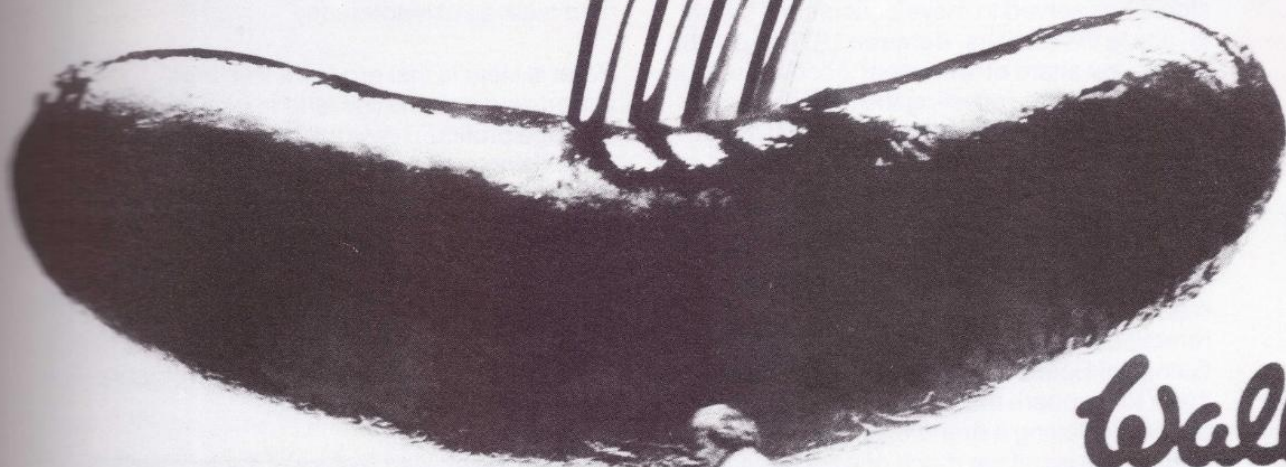
Advertisers

Advertising can be divided into two categories: display advertising such as television and radio advertisements, billboards and the larger advertisements in the press, which usually advertise a continuously available product or service; and classified advertising, which is currently restricted to newspapers and magazines, which usually advertises a particular product or service. Until recently the share of total advertising taken by classified advertising had gradually risen for over twenty years as new markets developed in property and cars.

Despite this trend, however, much the largest share of total advertising is still taken by display. In 1984 it was 77% of the total.

Much of this is dominated by a relatively small number of super advertisers including household names like Mars, and Kelloggs. Among them are some of the key oligopolists in the British economy, using advertising to compete and share markets with one or two

Stab one tonight.



Wall's

MORE O'FERRALL LTD. L4168

Where's the meat? Most modern advertisements have little to say about the qualities of what they are trying to sell. (Photo: Mike Abrahams/Network).

major competitors. In the list of the top advertisers one finds Lever Bros and Proctor and Gamble who together overwhelmingly dominate the markets for soaps and related products; Mars, Cadbury's and Rowntree Mackintosh who play a similar role in the market for sweets; Imperial Tobacco and Gallahers in the tobacco market; Austin Rover, Ford and Vauxhall and so on. One also finds, perhaps surprisingly, two nationalised industries, the Electricity Council and the British Gas Corporation, spending public money to play the same game in the energy market.

One effect of the recession has been to marginally strengthen the position of the largest advertisers: the expenditure of the top 100 increased by 29.5% in 1982 compared to an increase of 27% for the top 250. Behind these figures, however, several different developments are underway. A good example of the use of advertising to maintain a monopolistic position, was the way Proctor and Gamble increased their advertising expenditure in 1982 by a massive 84% in order to squeeze Unilever out of various detergent and other markets.

A more significant long term trend has been the relative decline in manufacturers' consumer advertising and the relative advance of service and retail advertising. The most striking development of service advertising has come from the financial institutions as competition over the provision of banking services has increased and as the market for services of this

kind reached the critical size for television advertising campaigns.

Total advertising expenditure for financial services increased from £32m in 1973 to £163.5m in 1982. Whereas only £1.6m was spent on television advertising in 1973, the corresponding figure for 1982 was £59.8m, with the lead being taken by the building societies which spent £23m on television advertising in 1982.

A parallel development has been the great expansion in the 'corporate purchasing' market, which has been fuelled by the proliferation of new office technologies, and which has branched out into using new media (including prime time television) though it is still concentrated in the national quality newspapers (22% of national newspapers display advertising is aimed at business and corporate purchasers).

However, much the most significant long term development has been the expansion of retail advertising. The large retail chains which spread around the country in the 1960's and 70's increasingly developed their own brand images and put pressure on manufacturers to



produce goods according to their own specifications to be sold under the retailers name.

Extensive advertising and a proliferation of new stores has served to move consumers' brand loyalty to the retailers. Between 1979 and 1982 the market share of 'own label' goods rose from 15.5% to 20.7%, reflecting the fact that retail advertising has almost doubled in real terms over the last 10 years. This situation has led to intense competition fuelled by the ability of retailers to monitor exactly how fast each brand is selling with the use of scanning systems. They are then in a position to put pressure on manufacturers to advertise more or be removed from the shelves. According to Peter Gittoes of Barclays Bank the manufacturers 'have to compare the cost of advertising with the cost of letting a brand die'. For leading brands this is not too much of a problem, indeed most have increased their market share during the recession; it is the other manufacturers which have been hardest hit. The point is that no major manufacturer or retailer can now afford not to advertise heavily. According to Barry Silverman of the Coop, 'We are in a free market, if everybody else jumps over the cliff then we have to go over too'.

The importance of retailers can be seen if one constructs an advertisers' 'top ten' according to different criteria. For example by totalling advertising expenditure according to holding companies Proctor and Gamble comes third after Unilever which owns among others Batchelor Foods, Birds Eye, Walls, Lever Bros, Van de Berghs, Jurgens Elida Gibbs, Liptons Tea, Walls Meat and Mathesons Meat. Second is Mars which also owns Pedigree Petfoods and Dornay Foods. If on the other hand the list is constructed according to individual brands retailers dominate, with the Coop at No.1 (no. 18 according to the first method) followed by Boots, Woolworths, MFI, Asda, Tesco, Curry's and the first non-retailers, Dulux, at No.8

Another way of looking at advertising is to analyse the role it plays in different markets. One way of doing this is to calculate advertising expenditures as a percentage of total sales.

Table 4 has two particularly striking features. The first is that it reveals markets in which as much as a quarter or a half of what the consumer spends is subsequently spent on persuading more consumers to buy the product. There are a number of ways in which this phenomenon can be understood. One is to see it as collusive oligopoly where a small number of producers hope to keep out competition by spending massively on advertising. If a competitor offers a similar product at a much lower price by not advertising so widely consumers will assume that it must be an inferior product. Another perspective would argue that the consumers of e.g. hair dressing lotions and face and hand creams are in fact voluntarily paying an inflated price for these products because they wish to

consume not only the product but also the advertising imagery with which it is associated. Conversely it can be argued that these are the products which give advertisers the greatest scope for exploiting personal inadequacies and feelings of inadequacy.

What is clear is that products with high advertising/sales ratios *tend* to generate above average profits. This would imply that high advertising expenditures *are* being used as a barrier to market entry, so that oligopoly or monopoly positions can be exploited. However high advertising/sales ratios can also be a feature of highly competitive markets, such as the magazine market, in which market entry, though difficult, is regularly achieved. A large advertising budget is simply an unavoidable part of any investment.

The second striking feature of the table is the way it echoes the historical origins of advertising. Until the second half of the 19th century advertising was predominantly a medium for selling cures, potions (few of which were probably any more effective than the cures for plague which were widely advertised in the London of 1666). Our desire for health and beauty still clearly leaves us open to persuasion and manipulation.

The advertising department in the big spending companies

Advertising is a branch of marketing, and within the large advertisers, an advertising department will tend to be part of a larger sales or marketing department. However there are many exceptions to this rule. Departments tend to be based with head offices; from the point of view of London's economy their location has been affected by the trends outlined above. Indeed many advertising departments in charge of advertising in Britain within multinationals are based abroad.

For most advertisers there are few advantages to being based in London, except at the higher end of the market e.g. cosmetics, for which location is part of a more general image and ethos. Thus Proctor and Gamble is based in Newcastle, Mars in Slough and Pedigree in Norfolk.

As a sector, advertising departments are very undocumented, and vary greatly in size and range of activities. Several broad trends can, however, be brought out:

- The recession was used by many to cut first market research and then other elements within marketing/advertising departments. This process has now stabilised.
- The locus of decision-making has moved up the corporate hierarchy recently as advertising has come to be seen as more crucial as an investment, and as marketing decisions have become more critical.

Table 1: Advertising/Sales Ratios 1980
(Ranked by Advertising/Sales Ratio)

Product Category	Advertising Expenditure	£m Sales Value	Adv/Sales Ratio (%)
Hair Dressing & Setting Lotion	4,673,000	9	51.9
Deodorants	1,443,500	6	24.1
Hand and Hand Cream	6,427,200	30	21.4
Foot Care	784,800	4	19.6
Skincare Products	2,512,800	14	17.9
Electric Battery Shavers	5,185,800	30	15.5
Anti-Remedies	2,822,100	22	12.8
Shaving Preparation's and Toiletries	3,861,300	32	12.1
Denture Fixatives	360,400	3	12.0
Skincare Preparations	2,097,800	18	11.7
Deodorants	453,900	4	11.3
Toothbrush (Toothpaste)	7,253,300	68	10.7
Upholstery & Upholstery Fabrics	746,100	7	10.6
Cleaners (Scourers)	3,799,800	36	10.5
Deodorants	4,554,600	45	10.1
Analgesics and Travel Pills	4,694,500	47	9.9
Cakes and Pastry Mixes	1,521,500	16	9.5
Wood and Furniture Polish	2,708,300	30	9.0
Deodorants	1,410,800	16	8.8
Antiparasitic Remedies	1,898,100	23	8.2
Domestic Deodorants	3,671,800	45	8.2
Deodorants	11,654,800	145	8.0
Deodorants	759,800	10	7.5
Deodorants	1,504,300	20	7.5
Deodorants & Lavatory Cleaners	3,289,200	44	7.5
Deodorants	1,241,800	17	7.3
Deodorants	658,600	9	7.3
Deodorants and Supplements	13,964,800	203	6.9
Deodorants	3,295,600	48	6.8
Deodorants	8,437,100	131	6.4
Deodorants and Scooters	2,249,000	35	6.4
Deodorants and Toilet Waters	8,188,100	127	6.4
Deodorants	307,500	13	6.2
Deodorants	2,338,800	40	5.8
Deodorants	1,015,500	18	5.6
Deodorants	1,866,800	340	5.5
Deodorants	1,797,900	34	5.3
Deodorants	2,910,000	62	4.7
Deodorants	1,985,100	43	4.6
Deodorants	3,549,200	82	4.3
Deodorants and Accessories	4,281,900	100	4.3
Deodorants	3,867,400	90	4.3
Deodorants	9,729,900	230	4.2
Deodorants	11,347,100	2302	4.0
Deodorants	8,014,500	200	4.0



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Parinder Vir OBE BLACK & ETHNIC ARTS ARCHIVE

GLC

1981-1986

Working for London

archive.parmindervir.com



- Market research (annual turnover £100m) is becoming increasingly oligopolised, AGB and the multinational Nielsen, for example, have established near monopolies in different areas of market research.

- There has been a gradual shift to below the line (i.e. non-media) advertising expenditures, spearheaded by the development of direct mailing techniques which have themselves been fuelled by the development of computerised mailing methods. Accurate statistics are hard to come by in this area. However the Post Office recently began to publish direct mail statistics which point to a fairly rapid rise:

Table 4

	1975/6	1981	1982
Volume (millions of items)	540	1,034	1,102
Total expenditure (£m)	86	299	341
Share of total advertising (%) expenditure	7.4	9.6	9.8

The Media

How are the media financed?

There are three basic way of financing the media for distributing information and entertainment:

1. Subscription, retail or payment by instalment: the cultural product is sold to an audience for a (regular) fee. This is the sole revenue for the producer, e.g. books, records, payable, some videotext, magazines and newsletters without advertising.

2. Advertising based: for the producer the basic economic relation is the sale of an audience to advertisers. The purest forms are the freesheet (100% revenue from ads), ITV (98% from ads) and ILR.

3. Tax based: access to a cultural medium requires payment of a tax to the government. The license fee is an obvious example.

Most of the press lies between 1 and 2, depending for revenue both on the cover price and on advertising revenue. Usually a newspaper will seek to maximise both. However, producing advertisements carries a cost in terms of an advertising department, newsprint, paper, etc. From the point of view of the advertiser it is both the quantity and the quality of the audience which is important. Advertisers will always pay more to reach certain groups. For example the cost/thousand (a basic advertising unit) can be as much as ten

times more for advertising in the quality rather than popular press. It is not unknown for a newspaper to increase its circulation, dilute the quality of its audience in such a way that advertising tariffs cannot be raised proportionately, and thus lose money because the cost of reproducing advertisements for the extra readership outweighs their contribution to total advertising revenue (*The Times* in the 1960s is a classic example).

This is a crucial element in understanding the role of advertising in the media. It operates as a differentially distributed subsidy or patronage, distributed according to the 'quality' of the audience.

What counts as a quality? Firstly general characteristics such as high income/ expenditure, decision making over expenditure within firms, the public sector or the home. Secondly, a particularly valuable audience one which cannot be easily reached through other media (for example Channel 4 is valuable to advertisers because it provides a young, affluent audience which is not otherwise easily accessible through TV).

Thirdly, a valuable audience is a highly targetted one in which the majority are potential consumers (e.g. a specialist photography magazine services a market of this kind).

This has two consequences: one is that there are more magazines and newspapers than there would otherwise be. In the IPA's words 'helps to provide the funds necessary to support the editorial staffs and investment needed to produce an effective and saleable product of relevance and interest to the buying public'.

Secondly, it means that the media are overwhelmingly skewed towards audience with high purchasing and decision-making power. This is reflected in a newspaper's minimum viable circulation. For a newspaper aimed at high income, powerful groups (such as *The Times* and *The Guardian*) this is only a tenth of the level of a newspaper aimed at a working class audience (why, e.g. the *Daily Herald* was closed down despite having a circulation double the combined circulation of *The Financial Times*, *The Times* and *The Guardian*). Similarly this is reflected in the number of magazines aimed at young, middle class women (roughly twice the number aimed at the 3 times as many middle aged, working class women).

Thus consumers' purchasing power generates an indirect subsidy which itself generates media of information and entertainment for those groups.

Table 5. Advertising Revenue Across the press

	National Newspaper	Regional Newspaper	Magazines	Trade & Technical	Production Costs
1984	678	921	250	311	216
% Year Changes (constant prices) 1984/1972	30.7	33.7	6.3	21.4	31.7
1984/1983	10.6	7.4	2.1	7.3	13.7



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Proportion of revenue from advertising

National Daily	Regional Daily	Local Weekly	Trade, technical, professional journals
35.4%	60.8%	84.1%	56.6%

Source: Business Monitor

Advertising and the press

The press remains the most important medium for advertisers, taking 63.1% of total advertising revenue in 1984. For the press, too, advertising continues to play a crucial role; newspapers and magazines get between $\frac{1}{4}$ and $\frac{3}{4}$ of their revenue from advertising. Most are far more willing to forgo cover price revenue than advertising revenue.

Different parts of the press are advertising-dependent to different degrees.

Within these aggregates there are many distinctions. Popular dailies tend to be much less advertising dependent than the quality press. The latter get between two-thirds and three-quarters of their revenue from advertising compared to about a third for the popular papers. Within magazines the proportion of revenue from advertising will usually depend on how accurately the magazine pinpoints a marketing group. For example consumer magazines have relatively high advertising revenues, whereas children's comics and political magazines have relatively little.

National newspapers

There are now 25 national newspapers (including colour supplements). For them the most advertising will depend largely on the 'quality' of the readership; the proportion of 40% the number of decision makers - either on household expenditure, private or public sector purchasing, or in the case of corporate advertising, 'people with influence'.

The value of the newspaper's readership will depend to a large extent on classified advertising. For the quality daily press this makes up 40% of total revenue with a

significant proportion coming from recruitment and property; by comparison the popular dailies receive only 20% from classified.

As a result the quality press, with a much smaller readership, takes 46% of national newspaper advertising.

The national newspaper industry has been in a long term crisis almost since the advent of commercial television in the mid 1950s. Television, the regional press and later radio have all played a part in threatening national press advertising revenues. There have been three main factors:

- Television undermined the advertising base of a number of predominantly popular papers aimed at an older working class audience in the early 1960's.
- It subsequently put a long term downward pressure on press advertising rates particularly in the popular press so that by 1975 the cost of advertising for popular Sundays - ie. the cost of maintaining an advertising department, of paper and newsprint - was greater than the revenue it provided.
- The boom in classified advertising throughout the 1960s and 1970s, associated with increased job mobility, car ownership, etc, benefitted the regional press much more than national papers. Similarly, the shift away from manufacturers' consumer advertising towards more advertising by retailers led to relative gains for the regional press.

Polarisation

Many of these pressures have had a particularly heavy impact on the middle market press, which is unable either to meet the needs of the mass display advertisers, or the specific needs of the upper end of the market. This has



resulted in a long term circulation decline of over 2 million since the mid 1960s (to about 4 million now), at a time when the up-market press has increased its circulation by some 130,000 and the down market press by 1.76 million. During the same period the middle market's Sunday readership has fallen by nearly 2.5 million.

Polarisation of the press is reflected in the different strategies being adopted by the two ends of the market. Within the popular press there have been extremely aggressive circulation wars to boost cover price revenues and advertising rates, which are more closely related to the quantity rather than 'quality' of the readership. Secondly, in order to sustain high circulations popular newspapers have become increasingly oriented towards gambling and competitions, playing a role not unlike that of a national lottery. These play an important, though probably short-term, role in the marketing of the newspaper.

For the quality press competition has taken another form. Firstly, there has been competition over cover price. *The Times* in particular has been heavily subsidised out of the profits generated by *The Sun*. Secondly there has been a general proliferation of advertising related editorial, for example features on business in the Philippines, or the future of Peterborough. These are designed to attract new advertising, usually from business.

Similarly there has been an increase in the amount of regular editorial which generates special advertising, for example travel and business supplements which are usually read by a small minority of readers.

Table 6. Total national newspaper advertising expenditure by type of publication: (1984)

£m	Total
Daily	399
Sunday	279
Supplement	115
Popular	351
Quality	327
Total	678

Lastly, the use of Sunday colour supplements to generate either special advertising around particular consumer features, or general advertising revenue has increased. Two new supplements have been brought out recently - *Sunday* to encourage *Sun* readers to read the *News of the World*, and the *Mail on Sunday* magazine *You* - which helped increase advertising in colour supplements by 29% between 1981 and 1982.

Both classified and display advertising have risen by over 50% since 1980; classified has been pulled up from a recession induced trough, with most of the gains coming from property and cars and more recently recruitment which remains the largest single category of classified advertising having previously fallen by 24.7% between 1980 and 1982. Recruitment is the most volatile element in classified advertising. For example a rise 91% in 1972/73 was followed by a fall of 40% two years later. Display advertising in the national press on the other hand has continued to grow throughout the recession.

During the 1960s and 1970s the regional press improved its position relative to the national press, boosted by growing classified advertising revenues and display advertising associated with the spread of retail chains. In the last few years, however, it has had to face threats, first from commercial local radio, and secondly, and more importantly, from free newspapers.

In 1984 Regional Advertising was distributed as follows:

Table 7. Regional Newspaper Advertising by type of publication (£m)

	Daily	Weekly	Free Sheets	Total
1970	90	51	2	143
1972	119	64	5	188
1980	378	178	84	640
1981	393	187	104	684
1982	405	196	136	737
1983	430	207	180	817
1984	474	223	224	921

Percentage of Total

	Daily	Weekly	Free Sheets	Total
1970	62.9	35.7	1.4	100.0
1972	63.3	34.0	2.7	100.0
1974	62.4	31.4	6.2	100.0
1976	61.6	31.4	6.9	100.0
1978	61.7	31.1	7.2	100.0
1980	59.1	27.8	13.1	100.0
1981	57.5	27.3	15.2	100.0
1982	55.0	26.6	18.5	100.0
1983	52.6	25.3	22.0	100.0
1984	51.5	24.2	24.3	100.0

The threat from freesheets

Since 1968 free newspapers have increased their advertising revenue from about £1m to over £224m in 1984 and they now take 24%



regional advertising revenue. There are about 60 free newspapers in Britain with a combined circulation of 24 million. They tend to be concentrated around cities and large towns. A major part of their success has been in selling display advertising, rather than news advertising which provides most of a paid-for newspaper's advertising base. Much of this has been attracted by lower rates and wider circulation. In general about 60% of a newspaper's revenue comes from display advertising, compared with 40% of advertising revenue for paid-for papers. In this they have been helped by their policy of being primarily news around shopping or commercial areas rather than local communities.

According to Timothy Cox of the advertising agency Boase, Massimi and Pollitt:

'When the freesheets started we only used to consider them for our local press schedule if the paid-for newspapers fell down in some way.'

'In the past 2 years however we have gone to them right from the start... in principle they satisfy all the requirements we would wish of a local newspaper - blanket coverage, guaranteed circulation and cheaper rates.'

The view widely held a year or two ago that freesheets would very rapidly displace paid-for papers has now been tempered. Papers with strong local identities and strong editorial staff have managed to maintain a role for themselves. Coverage by paid for newspapers has only dropped by a few percentage points - from 58.2% in 1977/78 to 54.1% in 1982/83. There has been some doubt about the reliability of freesheets' circulation (which have to be considerably higher than paid for papers - usually over 50,000) though an auditing system has recently been established. Freesheets are also more vulnerable to market shifts without the benefit of a cover price cushion.

The impact of freesheets on paid-for papers can be exaggerated; a large number of them are in fact owned by paid-for newspaper groups. The Westminster Press for example owns 27 freesheets with a combined circulation of 1.3m. According to the Newspaper Society as many as 260 freesheets are in fact owned by existing paid-for interests, including at least 32 of London's 70-80 freesheets. In some areas they have been used by existing local papers to beat off competition from freesheets as in the case of the (long established) *Croydon Advertiser*.

In some ways London is an especially suitable area for freesheets:

It is characterised by lower media density and higher expenditure levels than the rest of the country, particularly in the outer London suburbs where the freesheets are concentrated.

- The net coverage of paid-for local newspapers (including *The Standard*) in London is only about 65% compared with a national average of 80%.

- London's share of overall regional advertising expenditure has been gradually falling particularly because of the failure of the evening papers to maintain their circulation.

- Local identity, the *raison d'être* for a local paid-for newspaper, is particularly low in London which has a high proportion of 'immigrants' from the rest of Britain and abroad.

The recent demise of the *North London Herald Series*, blamed by the editor on 'unsolicited free disposables' shows that paid for newspapers remain vulnerable. The employment implications of freesheets' success are not clear; most operate with very few staff, perhaps one or two on editorial work and another 4 or 5 on advertising. As they develop they tend to increase the editorial content of the paper to establish a readership and prevent market entry for other freesheets. However, even if they don't actually displace paid-for papers they already threaten the position of journalists; one of their effects has been to significantly increase paid-for papers' advertising/editorial ratio.

Table 8. In the regional press: % real changes in advertising revenue

	Daily	Weekly	Frees	Total
1984/1970	9.6	-8.5	205.0	33.7
1984/1980	-5.0	-2.6	18.5	-7.4

Evening/Daily papers

In 1950 London had 3 evening newspapers with a combined circulation of 3.8 million. Now it has only one with a circulation of little over 500,000. Among the factors behind this were: the heavy fall in public transport commuting, London's falling population, the growing cost of distribution to outlying areas and drops in duplicate buying as papers become longer (as recently as 1979 27% of *Evening Standard* readers also read the *Evening News*). Also, the relative demise of central London's department stores has had an impact.

A daily newspaper in London faces some of the same problems as local papers, especially the relative absence of a local, London, identity. For this reason *The Standard* in many ways plays a role not dissimilar to a national newspaper. It is still the case, however, that London provides a very good advertising market, particularly for things like entertainment:

The revenue profile of London's two evening



newspapers compared to other newspapers in 1979 shows this clearly:

Table 9. % Comparisons

	London Evening	Pop. Daily	Quality Daily	Reg. Daily
% Revenue source:				
Cover price	31%	73	41	35
display	31%	22	35	28
classified total	38	5	24	27

Although these figures come from a time when both newspapers were losing large sums of money and keeping cover prices down, they show that London's evening papers were significantly more advertising dependent than either regional or national dailies.

A recent attempt to establish a London-wide free newspaper by ex-employees of the *Evening News* failed to attract sufficient advertising revenue, and without a large capital base the project folded after a few issues. However, the continuing decline in London's share of total regional advertising expenditure without any corresponding decline in London's attractiveness to advertisers suggests that it is perhaps a case of the cultural form of the city wide evening paper being inappropriate rather than a change in the market. The success of freesheets and of papers aimed at communities of interest, whether *City Limits* and *Time Out* or *Boardroom*, *London* or *Australian Weekly* would tend to confirm this view.

Magazines

For the advertiser magazines offer the possibility of very precise targeting of audiences by comparison with the blunter instruments of TV and national newspapers. However over the last 20 years there has been a gradual decline in the share of total advertising revenue taken by magazines, both general and trade and technical. Also within magazines as a whole there has been a shift away from general magazines towards more directly targetted ones.

In 1955 general magazines took 18% of total advertising, and trade and technical took 15%; in 1980 both were down to 8%.

The introduction of commercial television clearly had a direct impact on general magazines particularly ones with large working class readerships. Since then there has been a shift both towards more specialisation and towards greater provision for certain key markets.

According to the Royal Commission on the Press, between 1965 and 1975 only 7 new magazines were created for the general women's market compared to 34 new

consumer magazines aimed at specialised women's markets. 29% of advertising on women's magazines goes on toiletries, pharmaceuticals, etc, many of which also have the highest advertising/sales ratios of any products.

Revenue of this sort is closely correlated to the expenditure levels of the readership. According to Michael Bird, then Marketing Director of the National Magazines Company, the correlation between the advertising revenue of the 5 biggest women's weeklies and the size of their ABC1 readership was 0.997 compared to a correlation of circulation and advertising revenue of only 0.782. This bears out Bird's claim that 'pushing circulations to ruinous heights can be counter productive if audience profile is diluted'. This is why middle class magazines like *Harpers and Queen*, *Cosmopolitan*, *Honey* and 19 have much higher advertising revenues per copy than their working class equivalents like *Women's Weekly*, *True* or *Loving*.

The development of increasing specialisation and targetting within the magazine sector is closely tied to the development of ever more sophisticated means of market research which can more accurately locate the needed target audience and thus ensure that advertising expenditure goes on reaching potential consumers.

The 'pull' of higher income groups is accentuated within the magazines market for other reasons. One is that these markets tend to be less easily located through commercial television and radio. The second is that they tend to provide a 'better' (from the advertisers point of view) physical (glossy, colour etc.) and editorial context in which to place advertisements.

A recent magazine launch illustrates some of these points. *Options* was brought out in 1982 by IPC and was designed to fit into the *Leisure and Home* sector of women's magazines alongside *Good Housekeeping*, *Woman and Home*, etc, a sector which has enjoyed rising sales over the last ten years. *Options* target would be ABC women between 25 and 44 who were defined in the following terms:

'She is an entirely new breed of consumer. She sees herself as the kind of woman who should have a calculator in her handbag, a stereo in her car, a note recorder in her office. She is the generation for whom video and telecom were made . . . and will take advantage of every technological advantage to make work more efficient and play more fun . . . for more freezers, dishwashers and microwave ovens are not luxuries but essentials.'

The process by which IPC designs the magazine is clearly revealed. First consideration is given to the set of commodities which a group of women might buy, and thus potential advertising and only then is a

cultural product and editorial mix
According to Terry Mansfield,
Director of the National Magazine
IPC's rivals; 'they get a
slot the editorial in'.

Television

Two different roles in television
The BBC as a television region London
larger than the GLC area).
because it has a higher average
level than any other television
concentration of decision makers
with respect to company and
(purchasing), and a lower than
newspaper media density, it is of
interest to advertisers. London's two
stations, Thames (which runs from
morning to Friday afternoon) and
London Television (which runs for
the week) together take nearly 30%
of TV advertising revenue.

London is Britain's centre of
television and television
production. The former is reflected
in commercial television
in London; Thames employs about
one and another 340 freelance while
1,333 full-time and another 173
on long term contracts. ITN employs
presenters, technicians and administrators;
ITN employs 220 directly and as many
indirectly through independent
production companies; TV-AM employs
150 and lastly the IBA employs a staff

Television advertisement production

London is the centre of television
production. Advertisements are
commissioned by agencies and
produced by independent production
companies. The latter operate in an extremely
casualised manner characterised by casualisation
and high turnover of personnel and
very high markups (often over
100%). The majority of production
companies (about 70) are organised in the
Television and Videotape Producers
Association (TVPA) a permanent core of
freelance workers. Most of these are
organised by Equity. Actors in television
are organised by Equity.
because this labour is very
casualised, comparatively few actors do it
full-time. Figures for employment are

casting agreement unlike for example, work in
photographic agencies where most models are
non-unionised. Film directors, technicians and
casting directors are organised by the ACTT.
Here again work is casualised and advertising
work forms only a small proportion of most
people's working time. The number of people
involved is therefore much higher than the
number of 'real' jobs involved.

While the cost of buying TV airtime has
increased dramatically (by about 67% in real
term since 1970) the cost of producing TV
commercials has increased even faster (by
87.5% in real terms over the same period, with
a 25% increase over the last two years). This is
in part a function of television advertising which
is characterised by fixed supply and changing
demand. For example when advertising
expenditure fell in the aftermath of the 1973 oil
crisis television rates had to fall much more
dramatically than rates in the press which can
control the level of supply.

When demand is buoyant rates and production
costs can increase fairly dramatically.

In 1984 £160m was spent on making television
advertisements. Since the IBA has to vet all
advertisements prior to transmission one can
get an idea of how many are produced (some,
though very few, will never reach the IBA if they
are unsatisfactory from the point of view of the
advertiser). In 1982/3 6,670 films and videos
were viewed by the IBA which suggests an
average cost of about £14,000 per
advertisement. However an average
advertisement is not necessarily a typical
advertisement, since the average takes account
of very short 'billboard' advertisements. A
recent estimate for two 30 second
advertisements for Flora Margarine of £120,000
gives a better indication of what a typical
advertisement costs.

On the face of it the nature of this sector and its
competitiveness should make it possible for
agencies to ensure that production costs
remain low. In practice so long as advertisers
are willing to pay more production costs
continue to rise.

New channels

1984 was another boom year for television
though towards the end of the year revenues
began to fall off seriously. Both TVAM and
Channel 4 have now established themselves as
advertising media after initial problems. Both
Channels were themselves advertised heavily;

the chance to target minority audiences
accurately, low enough rates to attract new
advertisers to television and the chance to
reach an age group which watches relatively
little television; TV-AM because it offered same
day advertising. Because products advertised
in the morning could be purchased the same
day, it was claimed that advertising on the



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channel would have a greater impact than use of evening slots.

Channel 4 was originally designed to aim at people aged between 16 and 30, and to provide varied programming with particular emphasis on education and the needs of ethnic minorities. Its revenue comes from an annual levy on ITV companies (with related changes in the Exchequer levy) which sell the channel's airtime in their franchise areas. The channel's success in attracting a young affluent audience and the fact that the IBA/Equity dispute has ensured that rates remain low means that it as had some success in bringing new advertisers to television, particularly in sectors like leisure goods. London has tended to do better than other regions from Channel 4 partly because it has a large, young, affluent population and partly because it has had 97% of the potential audience reached from the start, compared to a national average of 87% reach. The channel's London rates are a lower percentage of ITV London rates than in other regions encouraging some local advertising which could not afford the ITV rates (about 13-15% of total). The long term advertising profile of the Channel is not clear yet.

In its first year the channel generated something between £35 and £60m worth of advertising revenue compared to its claim for £140m for 1984 from the ITV companies. Pressures on the channel to provide audiences which are more marketable are therefore likely to increase.

So far Channel 4 has not succeeded as a genuine targetting medium. Among the reasons for this are the 'non selectivity' of television audiences (particularly from the marketers point of view!), the problem of locating programme formats which can deliver the correct target audience, and the relative freedom from commercial pressures which the channel's form of finance (by comparison with TV-AM) has permitted up to now.

However as a relatively cheap mass medium which can reach a somewhat more affluent audience than ITV the channel has had some success. According to Justin Dukes, Managing Director of Channel 4, its revenue so far has been 12.2% of net television advertising revenue with only about 10% of the commercial audience. These figures must, however, be treated with caution.

Television as an advertising medium

Advertising can play a very precise role in determining the structure of the press, which can often sell precisely targetted audiences to advertisers. ITV on the other hand has found it very difficult to target different social groups largely because viewing is very unselective; in other words many people will watch whatever is

on. An advertiser hoping to target a precise group would therefore have to pay to reach millions of viewers who are not potential consumers. This has meant that television has, up to now, been exploited primarily as a mass medium with a straightforward pressure to maximise audiences rather than trying to improve the advertising 'quality' of the audience. The requirement to maximise audiences in this way has also tended to discourage innovative programme formats which are bound, at least initially, to have smaller audiences than tried and tested programme formulae. The IBA's requirement that programming should be diverse is largely met outside peak hours.

Apart from inspiring risk aversion and audience maximisation in programming executives advertising has a third impact on programme contents. This is the indirect influence of advertisers' desire for a suitable editorial environment, in other words programming which does not undermine the impact of advertising, or more positively, programming which espouses the same value of life styles as the advertisements. These two elements were summed up by Simon Broadbent, the Vice Chairman of a leading agency, who said that 'the spot is the packaging; the product inside the package is the audience'. Hence the need for programming which is popular, reliable, and not hostile to advertising values.

In this context Channel 4 can be seen as first step towards changing television's nature; it is argued that as choice expands so viewing will become more selective and particular audiences can be delivered to advertisers.

Although ITV is primarily a mass medium it can be used as a targetting instrument. *News at Ten*, for example has been used by advertisers seeking to reach company directors on the grounds that it would reach more of them, with a greater impact than any other medium. Similarly, a firm of stockbrokers recently advertised on TV South; although potential consumers may have made up as little as 0.01% of the audience the scale of business they would bring made this advertising worthwhile. These are examples of the distorting effect income and wealth inequalities can have within a genuine mass medium.

Economic effect of commercial television on the media

Within a few years of its introduction commercial television had a major impact on existing media, firstly on photo journalism which it supplanted, and secondly on working class newspapers whose readers were now available to advertisers through television. The *Sunday Graphic*, *Empire News*, *News Chronicle*, *Sunday Dispatch* and *Daily Herald* were all hit primarily through advertising revenue rather than circulating levels.

GLC
1981-1986
Working for London
archive.parvindervir.com

Television's second impact came on the rates the press could charge for advertising. According to the Royal Commission on the Press costs as a proportion of advertising revenue for the popular dailies rose from 60% in the mid 60s to 100% in 1975. For the popular Sundays the corresponding figure was 115% in 1975. In other words these newspapers were actually losing money by taking advertisements.

Competitive cutting of advertising rates in national papers led to a similar situation in 1982, though in general press rates have increased fairly rapidly since 1975, partly because of television's fixed supply.

In general television's impact on the press can be seen in the fact that in 1979 expenditure on television advertising was twice as great as the increase in display advertising (television does not compete for classified advertising) since 1966, the beginning of the television advertising age.

Television, like any new medium, created new advertising expenditure as well as pulling it away from existing media.

It has been shown television's main impact has been on the national daily and Sunday press. This has been because of television's particular form as a mass medium. In the long run, however, the development of Channel 4 (and cable) as 'narrow casting' media could pose a proportionately greater threat to the quality press than ITV did to the popular press, because they are considerably more dependent on advertising revenue. This is certainly the intention of the new channel; the problem is to locate television's cultural forms which can regularly deliver a "quality press" audience.

Developments around the television set: cable, satellite and video

The convergence of information processing, telecommunications and entertainment developments around the television set is likely to provide a range of new possibilities for advertisers. In general advertisers welcome new advertising media because they weaken the relative power of the media; for the agencies the blessing is more ambiguous because a wider range of media (and more fragmented audiences) mean that more human resources must be devoted to buying media space for a mass market campaign, and that existing market research techniques must be updated. For them too, though, new media imply a stronger position relative to media owners.

In the White paper published in May 1983 the Government announced that advertising on cable in Britain would largely follow the pattern set by ITV with the addition of a possible advertising channel; a maximum of six minutes/hour of spot advertising and the same controls over content as with ITV. In addition sponsorship of programmes would be allowed as would provision of an 'advertising channel'. According to Saatchi and Saatchi the White Paper offers advertisers and agencies 'the best of several worlds'. However other agencies – believe that cable's value to advertisers will be limited whatever provisions are made by the Government. Young and Rubicam for example argue that cable will have little to offer unless provision is made for advertising to appear in pay cable programming, mainly film channels.



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Cable and display advertising

So far there has been a tendency to see cable as a medium which will break open ITV's television advertising monopoly, which will compete for mass display advertising on e.g. film channels, and which will also be able to accurately target audiences. London Weekend Television argued that cable would have a very direct impact on ITV advertising rates and revenue; a 13% reduction in audience would lead to a 23% loss of revenue. Other ITV companies see cable more as a market for their own programming. Advertising agencies on the other hand have yet to be convinced how useful a medium it will prove.

How much cable will threaten ITV display advertising must be seriously in doubt:

- It will depend to a large extent on whether cable achieves sufficient coverage.
- In the USA where cable has achieved coverage of over 40% advertising constitutes less than 5% of cable operators revenue, about \$190M in total. A large proportion of this is taken by Ted Turner's WTBS which effectively operates like a network television station.
- The most successful cable channels in the USA are the film channels like Time's Home Box Office which carry no advertising.
- Cable's ability to target audiences accurately will mean new markets being brought into television advertising; this will tend to threaten parts of the press, in particular quality dailies, consumer magazines etc. rather than ITV's display advertising.

In general the importance of economies of scale to television economics will counteract cable's potential for audience fragmentation. It can develop mass audiences, and can guarantee that, e.g. a film channel with advertising is much cheaper than one without it.



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could in the long run develop as a mass display advertising medium.

Cable and classified advertising

One role which cable could play is that of a classified advertising medium. In 1984 classified advertising revenue in the UK totalled £963m and played a major role in the phenomenal success of free newspapers and local directories. In many respects cable in parallel with a viewdata system could be a much more suitable medium for carrying large bodies of information of this kind. Advertisers could much more easily update advertisements, responses could be precisely monitored (indeed viewdata systems make it possible to monitor exactly how many people look at an advertisement and for how long). Prestel already plays this role to a certain extent with a limited amount of advertising while in France standard telephone directory services are already offered by the PTT over the telephone network.

Cable's success in this field will depend both on its coverage and on behavioural shifts in how people choose to look for information. In the long run an information technology literate population would be likely to prefer the instant retrieval which cable could offer. In this way cable would also exploit the fact that it is a local medium.

If cable could be successful in this way it would pose a direct threat first to local directories, secondly to local paid-for newspapers (which depend for 60% of their advertising revenue on classified) and thirdly on freesheets (which depend for 40% of their revenue on classified). A number of local newspaper groups, such as Eastern Counties, have already moved into this area, firstly to counter its potential threat and secondly to fully exploit its possibilities.

ITV's Oracle already performs some viewdata advertising functions, taking full page advertisements, 'factionals' which take up to 15% of any editorial page and slogans along the bottom of pages. With 1.5 million users already Oracle could well develop as a major advertising medium.

The failure of cable to take off in 1984 and 1985 means that its impact has, at the very least, been delayed. At the moment the advertising industry is more interested in the potential of transnational satellite broadcasting.

Market Research

The development of cable as a more effective display targetting medium will have serious implications for market research. A more fragmented media will require that market research concepts are redefined, that the body of relevant information for researchers will be much greater, and that it will be much more

difficult to establish the relative effectiveness different elements in a multimedia campaign. The importance of media buying expertise will increase as more media need to be used to achieve a high level of market impact.

On the other hand cable offers the possibility greatly enhanced market research through mechanisms like behavioural monitoring – the ability to monitor exactly which programmes are watched, and with an advertising or home shopping channel which goods are bought when. This is one of the reasons why AGB, Britain's largest market research company and Saatchi and Saatchi have both involved themselves in applications for cable franchising in Britain.

Cultural forms for cable

In the long run cable is likely to herald the deconstruction of certain existing cultural forms one which has already been mentioned is the local directory. Others would include specialist magazines; cable could permit a pervasive commodification of information – the consumer being able to decide which information is required and paid for and which is not. This causes severe problems for advertisers since the consumer will probably only pay for the more purely informational advertising.

This is one aspect of the way current advertising takes advantage of cultural forms which deliver a 'captive audience'. Interactive mechanisms which increase the user's control over the commodity (e.g. video compared to television) tend to weaken the position of the advertiser: the video watcher puts on fast forward when the advertisements come up; similarly the electronic newspaper or magazine user is unlikely to choose advertising material given the choice between that and editorial matter.

The implication of this analysis is that cable will largely develop as an informational advertising medium, initially through classified advertising and subsequently through different forms, rather than as a display medium.

As a display medium it will probably only be successful if it can deliver mass audiences

Video

Britain has the highest penetration of video recorders in the world with 34% of households owning one in the summer of 1985.

So far video has often played the role of an anti-advertising medium. It appeared to reduce audiences for TV, and when it was used for time switching viewers tend to jump over advertising breaks. Nevertheless the advertising industry has not been slow to develop a wide range of advertising linked uses for video.

Firstly, videos have been modelled on cinema presentation; the film video rented from the corner shop can therefore be used to include previews of future releases, followed by a series of advertisements followed by the main feature.

Secondly video has been used extensively as a point of sale advertising technique demonstrating product uses, etc. Similarly videos have been used as a sales medium in public places; in particular video advertising is presented in post offices to entertain waiting queues. Other public places, such as aircraft, pubs and clubs offer the possibility of advertising around a feature or set of features; in the first case it will often deliver a highly selective audience.

In general spot advertising is unsuitable for home video use because it needs to be updated in line with new campaigns.

Two other forms which video advertising has taken are: sale of videos showing short extracts from a large number of films for little more than the cost of a blank tape, and secondly the production of sponsored videos such as Pedigree Petfoods' 'All you need to know about dogs', and Courvoisier's golfing instruction tape 'Tips from the Masters'.

Finally, pop videos have been used as a cross between programming and marketing; the videos can be supplied free to a cable station (such as the highly successful MTV in the US). In return the group is given 'free' promotion time each time the video is played.

Satellite

Whereas cable offers the possibility of a local TV service, in the medium term large advertisers will probably find more opportunities in the use of satellite broadcasting, an international medium, which can be beamed either directly to ariels attached to the home or through cable networks. Britain's first direct broadcasting by satellite channels are scheduled to begin transmission in 1987.

Rupert Murdoch's Sky channel already has over 7 million viewers across Europe (though only about 100,000 in the UK), mostly reached via cable systems. Within the next two years new channels such as the ITV/BBC Superchannel, and the channel Robert Maxwell is setting up with the help of the French Government will be joining existing services such as Screensport Music Box and the Lifestyle Channel. Most of these are set to be based in the UK, taking advantage of the widespread knowledge of English throughout Western Europe. With rapid technological advance bringing down the cost of satellite receivers DBS, and with it transnational advertising and sponsorship, looks set to grow rapidly.

As a medium satellite broadcasting is ideally suited to the development of pan-regional branding, and multinational advertising campaigns discussed above. In the near future, before it can achieve fully multinational mass advertising, its most lucrative possibilities might well be the targetting of international, culturally homogenous elites rather than mass markets. One example of this is the planned European wide 'culture' channel, Satellite TV, with its emphasis on the top end of the tourism market is clearly aiming in a similar direction. Another is the French Government's attempt via TVS to create a French cultural channel for satellite broadcasting to France, Switzerland and Belgium.

Satellite broadcasting will also play a wider commercialising role. In this respect Britain is being used as a base from which to change Europe's existing public service broadcasting. Already Swedish business has called for advertising to be introduced on Swedish television so that domestic business can compete effectively with multinationals advertising by satellite.

Access to markets where broadcast advertising time is strictly controlled is only one of the advantages commercial satellite broadcasting can offer. In addition it means that advertising economies of scale can be exploited; in view of the cost of television commercial production these could be considerable. Thirdly, it means that local rules about advertising content can be circumvented because advertisements only need to be cleared in the country of transmission.

London is likely to be a centre for these developments. It is the base for Satellite TV; Britain's government is likely to be more hostile to regulation than any other in Europe; British programming already has an audience in Europe (e.g. on Dutch cable TV); finally Britain has a strong indigenous advertising industry which is keen to exploit its reputation as a creative powerhouse.

Minor Media

As has been shown advertising plays different roles for different media. Its role is central in the press and television, whereas for other media such as book publishing and records it plays an almost insignificant role, apart from cross advertising of the same product between different media (the book of the film etc.). From the point of view of advertisers the following are significant, but minor media.

Local Radio

A legal, domestic network of independent commercial local radio began in 1973 with the launch of Capital Radio and LBC in London. There are now 42 in operation with another 25



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20 planned. (There were 43 until the recent demise of Centre Radio in Leicester). These are permitted up to 9 minutes/hour of advertising and have achieved a steady rise in advertising income, from £2m in 1973 to £86m in 1984, from 0.2% to 2.1% of the total. London is the only area to have two franchise holders with LBC oriented towards news and information and Capital oriented towards light entertainment.

Local radio has slowly come to be accepted by advertisers, local and national, as an effective medium though one-third of all stations made losses in 1982. Capital however, has consistently made profits (about £1.6m in 1982, somewhat down on previous years) and has taken over a quarter of total ILR advertising revenue. It is the only station with its own sales force - the rest are organised through the Association of Independent Radio Contractors - and invests heavily on promoting radio as an advertising medium. One of its selling lines is to sell advertising space according to targets within the audience - in other words £x per thousand women ABs etc.

At the moment the industry is stagnant; although revenue grew rapidly in 1983 much of this was caused by new stations coming on the air. Also competition from Channel 4, the TV-Am and the pirate stations has forced many stations to cut advertising rates. What increases there have been have generally come from national advertisers who only use the well established stations. As a result of this Capital's revenue substantially rose in 1983 despite static and falling audience levels.

Both LBC and Capital are regularly accused of going beyond IBA's limits on advertising, particularly for advertising the stations own products. The only control which the IBA can exercise over this is the ultimate sanction of removing the franchise.

Capital employs 148 people, a number of which are now threatened as a result of Capital's declining profitability, and LBC including Independent Radio News, employs another 161.

Outdoor advertising

Outdoor advertising and posters on public transport make up about 3.7% of total advertising expenditure. There are about 94,000 billboards in Britain, of which 30% are to be found in the GLC area. As a sector outdoor advertising has been in decline over the last few years, with a revenue drop of 5.1% in real terms since 1980. It is a very complex sector with large numbers of contractors which results in it being very difficult for agencies to use it efficiently as a medium.

In the mid-70s, to surmount this problem, ten of the leading contractors formed British Posters as a marketing cartel, and by 1980 they had

achieved a turnover of £13.5m (net of agency commissions) and direct or indirect control of 3/4 of Britain's panels. This brought them to the attention of the Monopolies Commission which decided that British Posters should be disbanded in early 1982. Since then a looser grouping of contractors, the Poster Sales Consortium has been formed. Advertisers tend to use posters as a back up to campaigns in other media, especially television, taking advantage of the fact that it can be used in different ways in different regions.

Transport posters

Transport advertising has remained at the same level (in real terms) over the last few years. In London the great majority is on London Transport, on buses, trains underground stations. Altogether London Transport manage 120,000 different poster boards bringing in an annual revenue of £9.3m in 1982, this has to be set against related expenditure - primarily labour costs - of £4.02m. Advertising on London's bus shelters is run by a private company, Adshel.

Local directories and yellow pages

Local directories, issued as supplements to the local telephone directories, are developing extremely rapidly as a major advertising medium. Expenditure on them has increased from about £15m in 1972 to £182m in 1984. At about 4% of total advertising expenditure this means that directories generate nearly twice as much advertising expenditure as commercial radio and nearly 7 times as much as the cinema.

In 1982 directories' revenue consisted of £35m from display advertising and £89m from classified. Their extremely rapid development, overshadowed only by the even more rapid development of free newspapers points to the continuing importance of this more mundane side of advertising; it also suggests that the new technologies which are developing around the television screen may find more lucrative possibilities in advertising of this kind rather than high profile television display advertising.

Cinema

About £16m was spent on advertising in the cinema in 1984, about 0.4% of total advertising expenditure, reflecting cinema's continuing decline both as an entertainment medium and as an advertising medium.

In London, the current average is about 8 minutes of national advertising, and about 2 minutes of local advertising, though this tends to be less in the West End. Most national campaigns which use the cinema are mixed media, because the cost of producing an advertisement exclusively for cinema would be prohibitive.

Sponsorship

In recent years sponsorship of the arts and sports has become more and more popular as an incorporate marketing mechanism.

Sponsorship is neither patronage nor advertising; it is a business arrangement whereby a cultural activity is supported in exchange for favourable publicity rather than the direct purchase of media time. In fact media exposure is usually a crucial element in sponsorship deals; nevertheless it plays a somewhat different role to advertising.

According to Alastair Sedgewick, the creator of the Gillette Cup, it is 'a very valuable tiller of the soil in which to plant one's advertising seeds'.

Apart from the general aim of corporate promotion a number of incentives are involved:

First there are the two poles of companies which either wish to accentuate a real quality of their product (e.g. cars, milk etc) or those which wish to counteract an unhealthy image (tobacco, oil companies). Secondly there are those which see sponsorship as an effective way of countering actual or potential political threats or the prospect of taxes on windfall profits - this motive has often been important for banks and oil companies. Thirdly there are those which seek a higher profile or to humanise an image (the recent involvement of United Technologies in the Sculpture Exhibition is an example of this).

Sport generates considerably more sponsorship than the arts though it is growing more slowly. The most heavily sponsored sport remains motor racing where the distinction between sponsorship and advertising is most blurred. Most sports' sponsors have no clear link with the sport involved. Leading sports' sponsors include: Cornhill Insurance, Imperial Group (including Players), Gallaher (including Benson and Hedges), British American Tobacco, Sun Alliance, Canon and the Milk Marketing Board.

Sports' sponsorship has tended to be geared towards the top professional organisations (and since a recent change, in IAAA rules sponsorship of top professional individuals) on international and national events with an emphasis on television exposure. The sort of exposure which successful sports' sponsorship can provide can be seen in the estimate Cornhill Insurance made when assessing their cricket sponsorship in 1981; 166 hours of television exposure, 7,459 billboard sightings of their name, 234 verbal references and by TV sports commentators and 1,784 references on the radio.

Estimates of the total level of sports' sponsorship vary widely. A typical estimate, made by the Economist Intelligence Unit in 1980, was £46m.

In the arts, sponsorship has been rising more rapidly to fill the gaps left by contracting public

finance. According to the Association for Business Sponsorship of the Arts this has risen from £600,000 in 1976 to £13.5m in 1982. Total known arts' sponsorship in London was £2,821,000 but there is every reason to suppose that the actual figure is much higher. Unlike sports' sponsorship which tends to be aimed at a wide, particularly young audience, arts' sponsors are often aiming at a fairly narrow, South Eastern elite.

Among the leading arts' sponsors are: British American Tobacco, (e.g. £600,000 to help launch the Du Maurier cigarette), Gulf Oil, Imperial Tobacco, Mobil Oil, Shell Oil and Amoco Oil. The participation of so many oil interests is a direct result of the windfall profits many made during 1979/81 and their concern to persuade decision makers that these profits were playing a constructive, socially responsible role.

The Government has made a number of attempts to encourage sponsorship, for example by making it easier for companies to make tax deductible covenanted payments. The appointment of Luke Rittner, former secretary of the Association for Business Sponsorship of the Arts, to run the Arts Council is another indication. However the Government is only successful in this respect to the extent that companies can be persuaded as to the marketing worth of a sponsorship exercise. Norman St John Stevas discovered this when, as Arts Minister, he failed to persuade the clearing banks to endow a 'Clearing Banks Foundation for the Arts' with £500 million.

For companies, sponsorship is generally used to soften up a market. Clearly visible failure is counter-productive; companies therefore have a tendency to discourage cultural experiments. Sponsorship rarely takes a large proportion of a company's advertising budget: 3-5% would be typical proportions.

How is advertising controlled?

Advertising in Britain is regulated at several levels. First, it must obey the general laws of the land relating to commerce and trade: among those are the Obscene Publications Acts which prohibit morally offensive publicity, the 1968 Medicine Act which controls misleading advertisements for medicines, the 1961 Consumer Protection Act and the Trades Description Act (1968) which laid down that any publicity claiming to be an objective description of a good or service would be liable to prosecution if the facts could be shown to be false. Also the 1975 Sex Discrimination Act and the 1976 Race Relations Act banned advertisements which discriminate on grounds of sex or race.

Finally, the Fair Trading Act of 1973 set up the



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Office of Fair Trading which has kept a close watch on advertising and called for stronger legal sanctions in a report published in 1978; it was also behind the end of the fixed commission system for agencies (see above).

As well as these general legal curbs, the Independent Broadcasting Authority is invested with a powerful array of tools to control advertising on television and radio. It has the power to determine how much advertising there is – this has been set at 6 minutes/hour, with an absolute maximum of 7 minutes in any clock hour. It has the power to vet all advertisements prior to transmission and to exclude any which it considers to be at all outside the requirement to be 'legal, decent, honest and truthful'.

It has banned any advertisements for cigarettes, betting services, contraceptives, pregnancy tests, marriage bureaux, among others, and any advertisement relating to an industrial dispute or conflict over government policy.

These are considerable powers: in 1982/83 9,406 scripts for television advertisements were submitted for clearance of which 18% were either unacceptable or needed amendment. 6,670 film/videos were viewed of which 172 needed adjustment. By comparison, the IBA only monitors radio commercials prior to transmission when they are likely to be used for national campaigns; in 1981 this involved about 1,000 advertisements.

Fear of statutory powers of this sort prompted the other media to adopt structures for self regulation. The Advertising Association launched the British Code of Advertising Practice in 1961, and subsequently set up a standing committee representing advertisers, agencies and the media. Out of this emerged the Advertising Standards Authority, an independent limited company which is financed by a 0.1% levy on display advertising expenditure, which publicises the Code of Practice, the complaints procedure and carries out some monitoring of advertising content after publication.

This system of self regulation has often been criticised for its ineffectiveness; for its failure to regulate comprehensively, for its slowness and for the weakness of its sanctions. In Government these criticisms were forcibly made by Roy Hattersley in 1978 when he was Minister for Consumer Protection and subsequently in a report published by the Department of Trade in 1980. In place of the current system there have been a number of suggestions; firstly the possibility of using legal injunctions to prevent publication of misleading advertisements in newspapers or on billboards; secondly the possibility of establishing a statutory body to replace the ASA – though this would still face the logistic problem of monitoring the huge number of advertisements which are published each week; and thirdly the option of using corrective advertisements along

the lines of the right of reply being demand for misleading editorial content.

The two lobbies which have been most effective in seeking regulation, the 'health' lobby and the 'sex and violence' lobby have tended to concentrate on banning offensive advertisements (although the Health Education Council does spend a hundred million pounds each year on anti-smoking propaganda) rather than demanding equal access to this public cultural space to contest offensive points of view.

Up to now the ASA has been unwilling to recognise complaints relating to broader issues of representation, in particular representation of women. As a body funded by the advertising industry, though it is technically independent is perhaps not surprising that its own (extensive) advertising has not gone beyond explaining its complaints procedure and the requirement that advertising should be 'legal, decent, honest and truthful'.

Conclusion

The economics of modern advertising

For the modern business organisation advertising is the unavoidable means through which markets can be controlled. In doing this it can:

1. synchronise supply and demand
2. maintain market shares for existing products and develop new markets
3. keep out potential competitors so that average profits can be realised
4. break into other oligopolised or competitive markets
5. Project a corporate image to the public, to companies' own employees and decision makers in government and elsewhere
6. counter the strategies being pursued by rivals.

Advertising is, therefore, both part of the everyday life of the modern capitalist enterprise and a crucial element in the strategies it pursues to maintain or increase profitability. A company is already producing for a particular market the ideal aim of an increase in advertising expenditure is to increase market share so as to create the conditions for achieving economies of scale. This in turn enables the company either to reduce price (and so further increase the share of the market) or to enjoy supernormal profits. Achieving a virtual circle of this kind, or more likely preventing a rival from achieving it, is perhaps the most common reason for a

company to increase its spending on advertising. As the rate of new product development accelerates in many areas, and the lifecycle of products gets shorter, the importance of market development and control becomes ever more important. In this context pressures to increase advertising are just part of the pressure on the modern capitalist enterprise to reflect the needs and desires of supermarkets as far back into the design and development process as is possible, so that markets can be most effectively exploited. Advertisers often argue that advertising benefits the consumer because it creates the conditions for lower prices through economies of scale. To the extent that this is true, however it also creates the conditions for companies to exploit dominant market position.

Historically, modern mass advertising has its origins in the development of oligopolistic market structures at the end of the 19th century as manufacturers began to develop brands for national distribution, and, with them, a direct relationship to the user. Here too the aim of advertising was to exercise control over a market so that greater profits could be achieved. By developing brand loyalties the leading manufacturers could raise their prices and profit from a form of economic rent.

Advertising and Information

Alongside the development of brands came standardised quality control and a change in the informational context in which goods and services were bought. Instead of depending on the expertise of the retailer people came increasingly to depend on the guaranteed quality offered by branded goods. By establishing a universal presence for a product and developing the perception that 'everybody else can't be wrong' the manufacturer hopes to ensure that the product's quality will come to be assumed. By contrast an unbranded or unadvertised product is likely to be a relative unknown. Buying it brings with it the risk that it will be inferior. Indeed if it is cheaper than the heavily advertised a good many people will assume that its quality is inferior.

As incomes increase, and the range of different goods and services bought by the average person widens, information scarcity makes itself more manifest. Nowadays, despite the multitude of consumer magazines, most consumer markets are relatively information scarce, and finding more information about what is available and at what price is costly both in time and money. For this reason the best known product or the best known brand is often the lower risk product. Here too the major advertisers can charge a premium for the low risk associated with their product. Since, as the largest manufacturers they will often face lower costs than their smaller competitors, they may still be able to offer their products at a lower price than their competitors as well as making above average profits.

Exploiting information scarcity does not necessarily involve providing more 'consumer information' than competitors; all that is required is a pervasive presence for the brand name, the logo and control of distribution. This can be seen in the archetypal modern advertisement which makes no claims about the product's qualities of price. It is simply a play on images and a play on words and images which asserts a presence.

There are also, of course, many factors which can undermine strategies which seek to exploit information scarcity in this way. One is information itself, whether it is simply the widespread knowledge that a product is sub-standard, or bad publicity about the producers. The second, more fundamental factor is the very nature of demand and the impossibility of either predicting or truly controlling human tastes and desires.

The impact of rising incomes and increasingly diverse consumption on information needs and advertising which can be seen over time also operates between different classes. This is perhaps an additional reason for the disproportionate amount of advertising which is directed towards high-income groups. There is a sense in which they are prepared to finance a relatively greater amount of advertising in order to establish a basis for making their more numerous consumption choices.

Branding

In recent years branding has taken three significant new directions. One is towards increasingly sophisticated brand differentiation. By dividing markets they can often be more effectively controlled; a different imagery and packaging can be used for different market segments and the excitement of a new product can be exploited without high products development costs. This highlights the importance of effective control of distribution in relation to advertising.

The second new direction has come from the competition between manufacturing and retailing brands. By spreading 'brandedness' over a wide range of products – which the large retailers could do because of their oligopolistic control of distribution – marketing resources could be used more in a more cost-effective way.

The development of nationwide retail chains greatly weakened the control of manufacturers over the distribution of their goods. It was this which enabled retailers to develop their own brands, to build up advertising among manufacturers, and in the end to force more and more of them to manufacture for the retailers' brand under contract.

The third and parallel direction has been towards multinational branding. Just as in retailing it is cheaper to spread brandedness



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over different products despite the fact that the individuality of the brand is diluted, so in multinational branding and advertising the reduction in costs achieved by using the same imagery and packaging in different countries often outweighs the diminished cultural appropriateness of the brand or advertisement.

Advertising and Identity

Just what information is contained in advertisements is not as straightforward as it might seem. Often an advertisement contains little or no information about the price or qualities of the good being sold. Although the contents of advertisements vary enormously some generalisations can be made. One is that many advertisements are surprisingly non-materialist. Instead they try to associate products with personal attributes like style and taste or with idealised relationships in families and heterosexual love. The power of advertisements lies often not so much in the way they eulogise visions of material success as in the way they create the impression that consumption of a product will lead to simpler, non-material ends such as happiness and self-respect.

Advertising is in some ways a reflection of the importance of consumption in advanced capitalist countries. One of its roles is to enhance the consumption of mundane commodities by building up networks of association which will be recognised by everybody.

In this sense advertising plays a role in the creation of a detailed language of meaning and social identity. The use value of a particular piece of furniture, cologne or clothing is then as much its function as a conveyor of social identity as, e.g. how comfortable or attractive it is.

Because advertising operates at this level the needs and wants which advertising works on cannot be understood as false. In advanced capitalist societies learning information about life-styles and the roles goods play in them is simply part of everyone's socialisation.

In shaping identities in this way, however, advertising works both by including and by excluding. For example advertising aimed at high income groups often plays on the exclusiveness of a product (by e.g. linking it to the truly exclusive products of precapitalist production; old masters etc). For the wealthy advertising operates both to surround goods with an aura of exclusivity and status and, because advertising is pervasive, to ensure that the same associations are experienced by those who cannot or do not buy them. In this way 'fantasy' connotations become real.

This leads to one of the more striking features of modern advertising, namely the uneven way in which it devotes itself to the identities of

different social groups. The identities which advertisers sustain and reproduce are extremely limited, reflecting an image of an almost exclusively white society which is free of poverty, in which women's identity needs are largely satisfied by the role of housewife while men pursue a wide range of purposeful activities. In practice, therefore, advertising works as a means by which cultural resources - the wit of a copywriter or the artistry of a designer or film director - are devoted to the identity needs of different parts of society.

In this respect the uneven spread of advertising which is caused by unevenly distributed purchasing power has been exacerbated by the values and prejudices of the advertising industry. Even within the industry it is notorious how inefficient and slow it has been at trying to mobilise Britain's black communities as a market or at coming to terms with the changing roles and self-images of women.

Whatever images and identities advertising works on these will always be placed in a world of privatised, individual decision making. In this view it is in consumption rather than work or creative leisure, and in operating as an individual or household rather than as part of a wider community that freedom is experienced. Advertising's role as 'consumerist propaganda' is not so much a result of manipulative design as a result of the very structure of advertising which uses public cultural space to communicate with people solely in their role as individual, autonomous consumers.

This lopsided view of the world leads to great difficulties in dealing with the world of work. In the great majority of advertisements the worlds of work and consumption are entirely separate, and work is only portrayed in a spuriously idealised way or when it is far from the likely experience of the consumer. The result of this is to conjure up a world in which commodities appear as if from the blue.

Advertising and the means of communication

In the same way advertising's role in subsidising different kinds of media is often discussed as if it appeared out of the blue. In fact it is a subsidy which is distributed according to the 'market-worthiness' of the audience the media reaches, a subsidy which is generated because consumers in those markets will tend to buy more highly advertised products. Since the audiences which the media reach rarely correspond directly to particular markets which the advertisers want to reach, advertising distributes subsidy in a very blunt way. The example of IPC which could 'get a marketing idea and slot the editorial in' is an extreme one. Indeed it is precisely this bluntness which is one of the more pernicious aspects of modern advertising because it means in practice that so many people are subjected to advertising which has no

relevance to them or which advertises goods which they can't afford. In public mass media like publicly franchised television and radio, billboards and free distribution newspapers groups which are valuable to marketers pull space towards their needs and interests. Examples of this are the advertisements directed towards businessmen on prime time ITV, billboards standing next to decaying council estates which advertise luxury cruises, or the current pressures on Channel 4 to provide programming on finance or aimed at consumer minorities (e.g. on home decoration or photography) rather than minorities or groups defined in other ways such as ethnic minorities or public transport users.

Where advertising can escape the problems of 'bluntness', and can reach the market it wants without having to pay to reach people who are unlikely to buy what is being sold it has a different effect. This is to amplify and feed on those cultural differences which do correspond to different markets. The classic case of this came when *The Times* had to adjust its editorial and advertising image in order to shed new readers who were diluting its appeal to advertisers.

In this way there are pressures on the media, particularly on magazines, to segment audiences according to social class and spending patterns. Until now television and radio have been largely free of these pressures as they have had to reach a genuinely mass audience. However one of the possible effects of cable, which has the technological means of segmenting audiences and the other new media, will be to bring these pressures into British broadcasting.

It should be clear by now that a media based on advertising is likely to be unresponsive to the information and entertainment needs of audiences which cannot be sold to advertisers. As a result those audiences, social classes and groups will be restricted in their ability to propagate their own concerns and ideas, to communicate with themselves and to develop their own perspectives and priorities. The impact of advertising will mean that they are discriminated against with respect to access to cultural resources and particularly the cultural labour market. This is why a wealthy minority can support detailed information and discussion newspapers like *The Times* or the *Financial Times* in a way that would never be possible for a similarly sized working class minority. Even if such a newspaper did exist, with the same circulation and cover price as say the *Financial Times*, its revenue would probably be less than a third that of its up market rival simply because of the different values their readerships would have for advertisers. As a result it could not support a comparable number or quality of journalists, lay-out artists, sub-editors and so on.

Alternative futures for advertising

Although many of our media are relatively free from the impact of advertising (e.g. the BBC is only affected through its programming rivalry with ITV, a rivalry which is based on audience quantity more than 'quality') there are strong forces at work seeking to increase the overall weight of advertising based media. In Britain the last ten years have seen the creation of a commercial radio network of 42 stations, 560 free distribution newspapers, a new commercial television channel and a new commercial television station all of which are almost exclusively financed by advertising (that they may fail to sell enough advertising space is, of course, another matter). The advent of cable and satellite broadcasting will also mean new outlets for advertisers. During the same period business sponsorship of the arts has increased 20-fold. By contrast, public finance for cultural activities has been cut back in many areas and the BBC is finding it increasingly difficult to persuade the Government to maintain the real value of the license fee.

These trends have profound implications for what can be called the primary lines of accountability in the media. Public service provision, either through grants or some form of license fee, implies, at least in theory, some degree of democratic accountability, however bureaucratised that may be in practice. The simple sale of a cultural product (for example a magazine which carries no advertising) brings with it accountability and responsiveness through the market; consumers can 'vote' albeit within the clear limitations of 'consumer sovereignty' with their money. With media which are largely or exclusively financed by advertising however the first line of accountability is between the media producer and the advertiser and the pressure to e.g. sell as many copies as possible takes second place to the needs of the advertisers.

The issue is not so much one of direct manipulation of the media by advertisers (which is quite rare) as the structural impact of advertising on societies' means of communication.

One of the problems involved in confronting this issue is that public intervention in the media and culture more generally has tended to work to fill particular gaps left by the market, often with a very paternalistic and elitist bias. As a result advertisers have been able to argue reasonably that it is only because the media depends on advertising that popular tastes are satisfied. For example there can be no doubt that it was the introduction of ITV which forced the BBC to address itself to the needs of more than one class and more than one region.

Secondly it must be recognised that advertising as a whole is very rarely contested, even though few people may actually believe a particular advertisement. In a recent survey only 2% of the sample thought that advertising



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GLC

1981-1986

Working for London
archive.parvindervir.com

PARVINDERVIR OBE BLACK & ETHNIC ARTS ARCHIVE



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required a major change compared to 34% who thought that major changes were needed in the Government and significant numbers who thought that major changes were needed in the police or the monarchy. One reason for advertising's popularity is undoubtedly its wealth and its consequent ability to be entertaining and imaginative. Another is its role in socialisation which has been discussed above.

In the past advertising in the country has been regulated according to its contents and from a concern to prevent its more extreme uses of public space (such as the use of the white cliffs of Dover as a vast billboard at the beginning of this century) rather than being based on an analysis of its economic and cultural effects. In many European countries a more interventionist and regulatory approach has been taken with advertising often being completely excluded from television and direct state intervention through e.g. boards to redistribute press advertising, or through the use of levies on advertising to subsidise new publications.

In determining policies around advertising different aims have to be clearly distinguished:

In the first place there are broad economic goals. As has been outlined above advertising as a media subsidy is in part a form of opaque taxation which large corporations can levy because of the nature of oligopolistic market structures and information scarcity in consumer markets. As such the average person has little choice but to pay for advertising by purchasing advertised goods. A macro economic intervention in advertising would have as its goal eliminating the economic rent which can be appropriated by market leaders. Increasing competition in consumer markets would shift resources from the profits of the market leaders back to consumers.

The means for achieving these ends is an advertising levy. Levies of this sort have been used in the past in other countries. However instead of applying a blanket levy (which might tend to relatively strengthen the position of the market leaders) a more effective intervention could be made through applying a levy progressively, so that the more a company spends on advertising within a particular market, the more, both absolutely and proportionately, the company must pay to the state in the form of a levy.

It might be argued that such a policy would in fact be damaging, and that by discouraging advertising, employment and security in the advertising industry and the media would be threatened. However, what evidence there is about the way advertising decisions are made suggests that it is very rare for companies to attempt to accurately weigh up the costs and revenues which will derive from an advertising campaign. If decisions are in fact made according to intuition or guesswork, marginal

changes in the economic parameters of those decisions are unlikely to have much effect.

One result of such a levy would be to encourage diversity in production and consumption. The fact that economies of scale would be being counteracted and that average costs might rise would have to be weighed against the overall shift of resources from profits to the consumer and the state. In addition, a step back from the logic of mass production and mass consumption would tend to increase employment opportunities since the biggest economies underlying economies of scale usually come from cutting labour and labour costs.

Money raised through a levy of this kind could then be retained in the sector – as was the case with the Eady levy in film. Here it could be used to subsidise newsprint or distribution costs, or to fund new publications and the parts of the media such as investigative journalism.

The second level of economic intervention lies in altering the informational context within which people buy goods and services. Examples of this include the legal requirement to display the contents of a product, and the production of 'Which' style consumers magazines which are free from the influence of advertisers. Counter information services of this kind do of course already exist, including the publicly funded Health Education Campaign on smoking which uses the techniques of advertising to contest the tobacco industries' advertising, and campaigns like the infamous anti-smoking group "BUGA-UP" in Australia. There is considerable scope for extending work of this kind in the food and cosmetic industries among others.

The second area for intervention is in the means of communication, to counter the distorting and discriminating effects advertising has on access to cultural resources. Such an intervention derives from a recognition that just as the state assumes a responsibility for maintaining the conditions for economic activity so too it has a responsibility to maintain the conditions for open democratic activity. One effect of having an advertising based media is that access to means of communication is very unevenly distributed. To confront this problem means intervening in the media rather than in advertising as such by changing the conditions under which deprived groups enter the communications market. Examples of this would include: legally guaranteeing distribution for newspapers and magazines (as is the case in France), or providing capital and expertise on favourable terms to groups which don't have access to the market. Interventions at this level still leave the market with a role to play in ensuring that the newspaper or magazine is responsive to its intended audience, while recognising its distorting nature.

In this area it is important to distinguish

between newspapers and magazines which operate in a fairly free market and publicly franchised media, such as broadcast television and radio which work under clearly defined limits (of time, space, frequency ranges etc). With respect to the first set of media the state's most effective interventions will probably come through altering the parameters of market entry.

Policies of this kind are bound to be fairly marginal since in a capitalist society the only way low income groups can effectively compete for access to cultural resources is by themselves becoming a high income group which advertisers will be more interested in reaching. In the publicly franchised media, however, the state is bound to play a more direct role since it is responsible for determining both who will have access to these media and how they will be financed. Here there are undoubtedly opportunities for 'opening up the airwaves' to counter the structural effect of advertising by, e.g. licensing different groups to run radio stations – in France the Government has given licenses to a large number of different groups representing different communities and communities of interests while, at least initially, preventing them advertising space – or by ensuring that groups which are excluded from the media have a relatively greater weight in regulatory bodies like the BBC and IBA.

One of the key issues underlying this question is the way the media can be financed. At present we have very few available models apart from advertising, the unitary license fee which confers control on a central regulatory body and various forms of subscription through which interest groups can finance a medium devoted to their needs and interests and to propagating their views. Here developments in the electronic media could provide opportunities particularly with the advent of cable. Until now they have tended to be seen as playing a role in the vanguard of the movement to further commercialise the media. However, they also open out the possibility of devolved and decentralised forms of licensing (e.g. through local authorities, voluntary groups and trade unions), and opportunities for experimenting with different means of finance through subscriptions and disaggregated forms of license fee.

The important point is that if the public sector is to contest the steady commercialisation of the electronic media it must itself develop models which encourage a more direct accountability and responsiveness than has hitherto been the case with 'public service broadcasting'. This relates to the wider question of how the media should be financed. There is a very real sense in which the media finance which comes from advertising derives from an opaque form of taxation on the consumer. If, however, a more transparent form of finance is to be used, such as general taxation or a licence, structures of accountability which

ensure a degree of democratic control, structures which all too clearly do not exist within the overwhelmingly middle-class and paternalistic BBC need to be established. If the public sector restricts itself solely to filling in the gaps the market leaves, the old argument that it is advertising alone which guarantees the existence of a popular and responsive media will retain its force.

The third area in which the public authorities can and do intervene is in what can be loosely called ideology and representation. Here the central aim should be to reappropriate public cultural space for non-commercial uses. One way of doing this is through the use of levies, either across the board or within a particular medium such as radio or the regional press, to finance advertising for non-commercial purposes. These could include voluntary bodies and campaigning groups using the form of advertising to project alternative images and ideas.

An example of this kind of work can be seen in the Public Media Center in the USA, a non-profit making body which produces and places advertisements for voluntary and campaigning organisations. Similarly local authorities can themselves engage in forms of social action advertising, as the GLC has done with its campaigns on the nuclear threat and racism. From another perspective arts funding bodies can sponsor visual artists and film directors to use advertising space for more general cultural purposes, as is being done with underground stations in London. In this way too, some of the ideologies which advertising propagates, for example in the realm of sexual politics, can be contested directly on their own terrain. Just as the private sector uses advertising to propagate an ideology of privatised individual choice, public authorities can also use the same means to propagate and develop collective values and needs. In the long run too, workers in different industries may come to see that they have a legitimate interest in the way the goods they produce are sold. Advertising space could be liberated to put across a different corporate perspective to that which appears when advertising is exclusively controlled by management.

Although advertising has been described as the 'shortest distance between the producer and the consumer', the role of advertising in the long run may depend on how the gaps between makers and users are bridged in both directions, and how users play a more direct role in shaping the products and services which they need.

These issues are directly relevant to local authorities in many ways, whether it is through investment in the media as part of local economic programmes or through their role in funding the arts. In the medium term, too, local authorities may come to play a much more significant role in franchising the electronic media as the technological potential for



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genuinely local electronic media becomes a reality.

The underlying principle which informs policies of this kind is that the public has a legitimate right to use public cultural space for its own ends. As one of the most public and pervasive forms of culture in modern society, advertising cannot be simply left to the privatised criteria of the market.

Advertising is now too important to be left to the advertisers.

Its most significant roles, however, are perhaps the ones which are least visible: the ways in which it structures the media, and the way in which, as an unavoidable instrument of modern business organisation, it is able to levy its own forms of taxation. It is in these areas, as much as in a moralistic concern to regulate the contents of advertisements that the public sector needs to play a part. In other words, however annoying, exhilarating or outrageous the things advertisements say may be, it is what they do, that in the end affects us more.

Appendix 1: Total Advertising Expenditure by Media £ million

Media	1971	1973	1975	1977	1979	1980	1981	1982	1983
National Newspapers	108	160	162	251	347	426	467	515	584
Regional Newspapers	152	256	283	396	593	640	684	737	817
Magazines & Periodicals	54	72	79	11	180	192	200	209	224
Trade and Technical	52	73	86	133	203	214	222	247	276
Directories	13	17	20	43	54	82	97	124	154
Press production costs	39	46	49	73	119	130	146	154	181
TOTAL PRESS	418	624	679	1012	1496	1684	1816	1986	2236
Television	143	210	236	398	471	692	809	928	1109
Poster and Transport	23	31	35	54	93	107	115	124	137
Cinema	6	7	7	9	17	18	18	18	16
Radio	1	2	10	26	52	54	60	70	81
TOTAL	591	874	967	1499	2129	2555	2818	3126	3579
Percentage of Total									
National Newspapers	18.3	18.3	16.8	16.7	16.3	16.7	16.6	16.5	16.3
Regional Newspapers	25.7	29.3	29.3	26.4	27.9	25.0	24.3	23.6	22.8
Magazines & Periodicals	9.1	8.2	8.2	7.7	8.5	7.5	7.1	6.7	6.3
Trade & Technical	8.8	8.4	8.9	8.9	9.5	8.4	7.9	7.9	7.7
Directories	2.2	1.9	2.1	2.9	2.5	3.2	3.4	4.0	4.3
Press production costs	6.6	5.3	5.1	4.9	5.6	5.1	5.2	4.9	5.1
TOTAL PRESS	70.7	71.4	70.2	67.5	70.3	65.9	64.5	63.5	62.5
Television	24.2	24.0	24.4	26.6	22.1	27.1	28.7	29.7	31.0
Poster & Transport	3.9	3.5	3.6	3.6	4.4	4.2	4.1	4.0	3.8
Cinema	1.0	0.8	0.8	0.7	0.8	0.8	0.7	0.6	0.6
Radio	0.2	0.2	0.1	1.7	2.4	2.1	2.1	2.2	2.3
TOTAL	100	100	100	100	100	100	100	100	100

Appendix 2: Advertising Expenditure by Media (1975m)
(percentage changes year-on-year)

	Press	Television	Poster & Transport	Cinema	Radio	Total
1970	-0.5	4.3	-4.9	-9.1	0.0	-2.5
1971	11.1	14.5	5.1	10.0	0.0	11.6
1972	1.8	9.4	9.8	-9.1	50.0	13.1
1973	-10.3	-16.2	-6.7	0.0	166.7	-11.1
1974	-15.8	-6.7	-16.7	-30.0	25.0	-13.6
1975	2.7	11.9	5.7	0.0	60.0	5.6
1976	7.6	11.7	8.1	0.0	18.8	8.8
1977	12.7	11.9	17.5	28.6	26.3	13.0
1978	7.3	-13.9	1.8	11.1	29.2	2.4
1979	-5.1	24.7	3.8	-10.0	9.7	-1.7
1980	-3.6	4.5	94.4	-11.1	-3.6	-1.4
1981	0.7	5.4	-1.9	0.0	7.4	2.1
1982	7.5	14.5	5.8	-25.0	13.8	9.5
1983	9.0	7.0	4.3	-5.0	1.1	8.0
84/70	32.8	106.5	40.5	-48.1	1550	52.0



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Appendix 3: Total Press Advertising by Media (£1,975m)
(Percentage changes year-on-year)

	National Newspapers	REgional Newspapers	Magazines & Periodicals	Trade & Technical	Directries	Press Production Costs	Total
1970	-8.5	-3.0	-3.2	-10.2	10.0	4.8	4.5
1971	12.1	15.6	3.3	9.1	9.1	4.5	-4.5
1972	13.2	24.7	10.6	9.4	4.2	-4.3	14.9
1973	-13.4	-8.1	-15.4	-5.7	-2.0	-9.1	-10.4
1974	-19.0	-16.5	-10.2	-13.1	0.0	-18.3	-15.8
1975	4.3	0.4	0.0	2.3	35.0	2.0	2.7
1976	10.1	3.2	8.9	12.5	18.5	8.0	7.6
1977	8.6	12.6	14.0	17.2	6.3	22.2	12.8
1978	3.5	8.5	11.2	5.2	8.8	9.1	7.2
1979	4.3	-8.7	-10.1	-10.7	13.5	-6.9	-5.1
1980	-2.3	-4.3	-7.1	-7.3	-4.8	0.0	-3.7
1981	1.9	-1.0	-3.3	3.0	18.2	-3.0	0.8
82/81	8.3	6.1	-2.3	6.7	19.2	2.3	7.7
83/82	-0.6	-7.4	-6.3	-7.3	12.5	-13.7	-32.9
84/83	30.7	33.7	2.1	21.4	25.0	31.7	32.9

Appendix 4: Estimated Media Expenditure by Product Group (£m)

Product Group	1975	1976	1977	1978	1979	1980	1981	1982
Food	89	112	144	165	165	226	256	277
Clothing	12	15	18	21	23	31	31	36
Auto	33	43	56	75	92	135	138	158
Drink & Tobarro	74	97	111	121	146	198	204	225
Toiletries & Medical	53	66	77	86	98	107	119	138
Household & Leisure	87	113	150	204	230	274	302	348
Publishing, Books	16	20	26	32	34	44	51	52
Tourism, entertainment foreign	34	39	47	99	75	89	107	121
Nationalised Industries	18	23	28	34	41	52	58	70
Government	21	22	26	37	42	53	56	66
Retail	163	206	260	307	354	435	487	502
Savings, financial	36	44	57	70	83	104	156	175
Industrial	111	130	168	212	258	289	310	350
Charity, education	3	3	4	5	6	7	9	10
Classified	218	255	327	402	476	511	534	598
TOTAL	967	1188	1499	1834	2123	2555	2818	3165



Appendix 5: Total Advertising Expenditure and its Relation to Consumers' Expenditure and Gross National Product

Year	Total expenditure in 1975 prices ¹ £m	Total expenditure in current prices £m	Total expenditure as a percentage	
			Consumers expenditure	Gross Nation product
1970	1022	554	1.74	1.27
1971	997	591	1.66	1.20
1972	1113	708	1.76	1.28
1973	1259	874	1.91	1.36
1974	1118	900	1.72	1.21
1975	967	967	1.50	1.03
1976	1020	1188	1.59	1.07
1977	1110	1499	1.75	1.19
1978	1254	1834	1.86	1.27
1979	1285	2131	1.82	1.26
1980	1306	2555	1.88	1.31
1981	1287	2818	1.86	1.33
1982	1316	3126	1.89	1.37
1983	1440	3579	1.96	1.39
1984	1555	4055	2.08	1.49

Source: The Advertising Association

1. Figures in this column are obtained by deflating the current price figures by the retail price index.

Appendix 6

Who are the advertisers – A top ten

1. Proctor and Gamble

1982 Expenditure £000s

Total	TV	%	Press	%
45,776	45,014	98	762	2

Holding Company: Procter and Gamble
Products: Ariel, Bold, Bounce Fabric Conditioner, Fairy Liquid, Head and Shoulders Shampoo, Lenor, Pampers

Agencies: Benton and Bowles, Grey Advertising, Saatchi and Saatchi, Young and Rubicam.

2. Mars

Expenditure £000s

Total	TV	%	Press	%
27,545	27,183	99	362	1

Holding Company: Mars
Products: Mars Bar, Bounty, Maltesers, Marathon, Twix
Agencies: D'Arcy-MacManus and Masius, Ted Bates.

3. Imperial Tobacco

3. Expenditure £000s

Total	TV	%	Press
26,148	7,041	27	19,107

Formerly Imperial Tobacco Imports, John Player and Sons, Ogdens and W.D. and H.O. Wills. Hol Company Imperial Group

Products: Henri Winterman Cigars, Ogden Tob Players Cigarettes and Cigars, Wills Cigars

Agencies: Cohen Butt, Masius, Geers Gross, O & M, Sharps, Young and Rubicam

4. Cadbury

Expenditure £000s

Total	TV	%	Press
20,025	27,742	99	283

Holding Company: Cadbury Schweppes
Products: Dairy Milk, Double Decker, Flake, Milk Tray, Crunchie, Frys Turkish Delight

Agencies: Foote Cone and Belding; Leo Burnett, TBWA, Young and Rubicam

5. Kellogg's

Expenditure £000s

Total	TV	%	Press
24,578	23,768	97	810

Holding Company: Kellogg company USA
Products: Corn Flakes, Rice Krispies, Special K, Super Noodles, 30% Bran Flakes

Agencies: J. Walker Thompson (London), Leo B

10. Rowntree Mackintosh

Expenditure £000s

Total	TV	%	Press	%
12,941	21,275	97	566	3

Products: Aero, Kit-Kat, Rolo, Yorkie Bar
Agencies: J. Walter Thompson (London), Ogilvy and
Mather Saatchi and Saatchi

11. General Foods

Expenditure £000s

Total	TV	%	Press	%
28,171	19,751	98	420	2

Holding Company: General Foods Corporation USA
Products: Birds Dream Topping, Birds Ice Magic,
Birds Mellow Coffee, Maxwell House Coffee
Agencies: Benton and Bowles, Greys, Young and
Rubicam, Wunderman International

12. Electricity Council

Expenditure £000s

Total	TV	%	Press	%
19,580	15,167	77	4,413	23

Products: Central Heating, Cookers, Corporate,
Fridge Freezers
Agencies: Allen Brady and Marsh, J. Walter
Thompson (London), Ted Bates.

13. Pedigree Petfoods

Expenditure £000s

Total	TV	%	Press	%
18,236	18,217	100	18	—

Holding Company: Mars
Products: Kit E Kat, Mr Dog Canned Food, Pedigree
Chum, Whiskas
Agencies: D'Arcy-MacManus and Masius, Ted
Bates

10. Nestle

Expenditure £000s

Total	TV	%	Press	%
17,336	15,655	90	1,680	10

Holding Company: Nestle SA Switzerland
Products: Crosse and Blackwell Cook In Pot, Cross
and Blackwell Top Soup, Nescafe Coffee, Gold Blend
Agencies: Foote Cone and Belding, Fairfields
Holmes Knight Ritchie, Burnetts, McCanns, Media
Campaign Services, Waseys



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CHAPTER 6

SPORT, COMMERCE and the MASS MEDIA

Chapter 6

SPORT, COMMERCE and the MASS MEDIA

Carl Atkinson

Introduction

The analysis of sport and interventions in this area by central governments, local government and statutory bodies have for far too long reflected the myth that sport is an apolitical activity played by people in their spare (non-work) time, unaffected by commercial considerations. This in effect has meant an overwhelming concentration on the provision of facilities and the encouragement of participation by the state. Despite a change in emphasis which has been made from the provision of centrally located large-scale to more local small-scale facilities and an increasing awareness of the problems of women, ethnic minorities, the unemployed, the handicapped and disabled and elderly, the consequences of playing sport under a market economy has not been fully grasped by local authorities¹.

A recent study of the politics of sport has shown that such an image of sport is at best partial (Whannel, 1983) and that any analysis of sport must also look at sport as a commercial activity which has grown into an international media spectacle and multi-million pound market. It has been suggested (Sports Council, 1983) that there existed in Britain, in 1980, a sports market of some £770 million for goods and equipment, commercial sponsorship of between £10 and £65 million and total consumer spending on sport of £1,000 million. The growth of sport, both commercially and as a leisure activity in the last three decades can be seen to have paralleled the growth in the availability of the mass media, especially television. This commercialism of sport has operated on three principal levels: the establishment of a sports goods and services industry; the development of spectator sports as a base for advertising closely tied to media coverage; and the tapping of peoples' resources.

Part one of this report, without claiming to be exhaustive, begins to consider what the implications are for the Council, if it wishes to make more facilities available for public use, increase participation by low participant groups and provide employment opportunities. It looks at: (i) the effect the mass media has on sport, (ii) the manner in which commercial companies sponsor sport, (iii) the growth of the sports services, equipment and clothing markets, and (iv) the financial and other problems of commercially run spectator sports in London, such as football, speedway and greyhound racing.

For reasons of clarity of presentation these four areas are presented separately in what follows, though the inter-relationships between them are quite strong, especially between the mass media, sponsorship and professional clubs. At this point it must be mentioned that whilst part one of this report is meant to address the situation in London, there exists very little London specific information which is readily available. This can be ascribed to the fact that the commercial markets we are discussing are national and international and that public agencies have been slow to recognise the need for detailed information. For example, the recent Howell Report on Sports sponsorship which covers the field in some depth does not contain any information specific to London.

The mass media's selective representation of sport

The last thirty years have seen not only the growth of sport as a commercial activity but also the growth of the mass media, especially television. This parallel growth is no coincidence. The availability of television in a majority of homes has and is being used by the BBC, IBA and governing bodies of sport – not to forget advertising agencies and their clients – for their own, often conflicting interests. The use of the media as a means of (re)presenting sport is not, however, neutral.

The media are highly selective in both the sports and events which they present and in the manner in which they are represented. At the most simple level, the choice of which sports are covered is obviously highly selective with, for example, in 1981 the most commonly televised being horse racing, cricket, football, tennis, snooker and golf. This selection of sports cannot be explained by any claim that events are chosen because of the class that plays them. Sports which in their origins and support are working class, e.g., football, snooker and darts, as well those which are middle class e.g., show jumping, tennis and cricket, are televised. It is partly that certain sports lend themselves to television more readily than others. Though in some cases it has necessitated changes in the format of the game and in its rules; for example, cricket. And partly that there is some form of tie up between the sports televised and advertising or



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sponsorship. Furthermore, it is the top level of the chosen sports that are televised, with an emphasis on excellence, competition and, if appropriate, nationalism. The more local teams and events, in which such values might be of less importance and those of participation and enjoyment are more important, are not covered. Television's selection of sports to cover also does not include many sports which are indigenous to this country's ethnic minorities – kabaddi, gaelic and celtic sports, palota, etc.

The outcome of this selectivity is that certain highly popular sports, such as angling, squash and table tennis, do not receive any sustained coverage purely because they are, in the eyes of those controlling television sport, "bad TV". The sports which are shown are, it will be noticed, predominantly male sports or ones in which the men's events are seen as more important than women's events. It is also exceedingly rare to see disabled, handicapped or even elderly people participating in sport on television. The media has, however, had a positive effect for some sports, though invariably it has only been directly beneficial to the top teams and individuals. Television coverage has been instrumental in expanding the market for, sponsorship of, and participation in a number of sports. The impact of Channel 4 in respect of basketball and American football – sports which it has had to concentrate upon due to the BBC/IBA duopoly on many other available sports – is most apparent, but the effect that television had on snooker, darts and golf must not be overlooked. In the case of the National League Basketball matches spectator attendance is already up nearly 15% this year compared to last year, and both figures are up on the previous, non-televised year.

The media, and especially television, also represent sport in a highly selective manner. The most noticeable bias is the strong emphasis placed on male dominated sports and on men's events as opposed to women's events. In those sports and events where greater focus is placed upon women, for example, gymnastics and skating, it is often

due to supposed feminine qualities that are exhibited; grace, poise, elegance. Furthermore, the commentaries which accompany the pictures of women taking part in sport often stress the women's "female" role as a mother, housewife, fiancée, or her sexuality, as opposed to her sporting ability and achievement. Rarely do we hear of sportsmen being talked of as a father, husband or in terms of their sexuality. It should be noted that such treatment of women is not of course restricted to sport; in this respect sport merely reflects wider society.

A consequence of this selective emphasis on male dominated sports and the treatment given to women's sports is the perpetuation of a sexist image of masculinity – strength, competitiveness, determination – which immediately places women in a subordinate place in sport. This television carried image reinforces the major representation of sport, and a women's place in sport, received by most of the populations. Given this it is hardly surprising that women do not participate in sport to the same extent as men. The same image of sport is also received by the elderly people who are also deterred from participating in this rough and brutal pastime. These differences in participation rates are suggested in table 1 below.

The image which the media projects of ethnic minorities in sport is more complex. Press and television coverage of black people representing either their country/nation or participating to a high level, must surely encourage other ethnic minorities to participate in sport. Conversely, in a similar manner as affects women, stereotyping by television commentators of black sportsmen and women – their natural balance, suppleness, agility, speed, etc. – occurs. The effect this has on other black people, and on white people, is not known. The media could, however, if it were to adopt a responsible stance, make an important contribution in overcoming the reluctance by some black people to participate in sport, and, perhaps, even provide a counter to racist attitudes towards black people.

Table 1. Sports participation rates for selected groups, 1980

%	<i>Playing outdoor sport</i>	<i>Playing indoor sport*</i>	<i>Watching live sport</i>
All	30.0	23.0	9.2
Male	37.2	31.7	13.6
Female	23.8	15.5	5.4
16-24	44.6	51.2	13.0
25-44	37.6	37.4	12.6
45-59	30.2	19.7	9.7
60 and over	17.6	4.8	4.0

*includes billiards/snooker and darts
Source: General Household Survey, 1980

The televising of sport is a vital source of income for many sports, both directly through payments for televising events, and also indirectly as a carrot to dangle in front of potential sponsors. There are however, problems in the relationship between sport, television and commercial sponsors as can be seen in the recent negotiations over the televising of football and basketball. In both these cases, the debate was not only about the amount of money to be paid for coverage, but also – and perhaps more importantly – about whether shirt advertising would be allowed. In the event in both cases it was but not to the extent that the clubs, and sponsors, wanted. A similar controversy occurred when midway through a two-year contract with Channel 4, the English Basketball Association, under pressure from their sponsors, pressed for the renegotiation of the terms of the contract to include shirt advertising. This situation threatened to badly affect Ovaltine Hemel Hempstead whose sponsor was on the brink of withdrawing because the old agreement with Channel 4 meant that they had to be known on television by a name without Ovaltine as part of it. Television and commerce are also in a very strong position with regard to the sports bodies due to the need of the latter to protect vital sponsorship which is often dependent upon the televising of events. The Professional Golf Association, for example, recently ended up giving coverage of tournaments in Britain to ITV free of charge in order to protect vital sponsorship. This dependency is also illustrated by the withdrawal of sponsorship from British Canoe Union events, when the World Championships in 1981 failed to secure television coverage.

The image of sport which the media, centered on television, (re)presents to the viewing public, especially the underlying values which function to reproduce stereotyped attitudes towards men and women's characteristics, and the concentration on excellence and competition, does nothing to encourage many sections of the population, especially women, the elderly and the handicapped and disabled, to participate in sport. The media does, however, present opportunities for opposing and changing these dominant images, though the strength of the present image cannot be underestimated. The possible growth of cable television could present one such opportunity as a large majority of the present franchise contenders propose a sports channel. The crux of the matter is who controls this channel. At present large commercial organisations, such as West Nally, CSS Promotions and the US sports cable providers, appear to have made the first moves into this field. It appears that they will be providing syndicated international programming without much local input³, yet Greenwich cablevision have found their local sports 'what's on' slot to be one of their most successful items.

Local authorities, in addition to intervening in the franchising of cable networks, have the

opportunity to improve the information available to people about sport, through the use of a variety of means ranging from simple posters, leaflets, and local newspapers to the use of telephone and electronic-based information systems. Much can also be done in the way in which they market sport by presenting it in a different manner and with a different image to that given by the media. This could include the holding of special days of sport – for women, ethnic minorities, the elderly, the disabled, etc., special schemes to attract the unwaged and the use of motivators, to name but a few.

Commercial penetration of sport through sponsorship

The sponsorship of sports events, teams and individuals by commercial organisations is an area of advertising, promotion and marketing that has increased greatly in the last twenty years. Though sports sponsorship dates back to the 1908 Olympics in London, it really took off in 1965 with the ban on cigarette advertising on television, when the tobacco companies realised that the sponsorship of sport provided an alternative means of achieving television exposure. Whilst it is difficult to accurately quantify the value of sport sponsorship it has risen from some £1m in 1966 to between £3m and £5m in 1970 and by 1980 had reached between £10m and £65m depending upon the definitions of sponsorship and sport used⁴. The recently published Report of the Howell Committee into sport and sponsorships, which provides a great deal of information on sports sponsorship, suggests that in 1982 at national level sponsorship was some £49 million to which should be added some £35.7 million for regional and local sponsorship deals, giving a total of £84.7 million. This dramatic increase is not, however, attributable solely to the tobacco industry; finance and insurance firms now use sport extensively for advertising as do many firms in the leisure industries, especially brewers and bookmakers. A large proportion of sponsorship, and one which has increased greatly due to rapidly rising costs goes into motor racing and is provided by the motor industry.

What is certain is that whatever level sports sponsorship has reached it is a vital source of income for many sports, clubs and individuals; though in Britain it has not yet reached that stage where commercial organisations actually own sports clubs, as occurs in for example, the USA with sportswear company Nike's ownership of the Athletics West club, or in Italy with Fiat's ownership of Juventus football club. Sponsorship is, however, vitally important to sport in Britain and it has been suggested that the future of professional cricket would be seriously in doubt, especially three and five day games, if their sponsors were to withdraw. This dependence on sponsorship for income can prove very disadvantageous given the volatile nature of sponsorship, especially at more local



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levels of involvement. It makes forward planning and development of the sport very difficult and can, if monies are not found, lead to severe curtailment of activities.

Commercial organisations are selective in what they sponsor and a major determinant in this process of selection is, as already noted, the need to gain media, especially television, coverage. The sports which take a major part of commercial sponsorship are motor racing – mainly by the manufacturers and their suppliers –, horse racing, football, golf, cricket, athletics and tennis. It will be noted that these are mainly sports in which the major focus is on male involvement. Sponsorship of women's sports or sports in which women participate appears to be much less frequent, though recently companies whose products are of direct relevance to women have been putting money into women's sports. Sunsilk and Avon cosmetics have both sponsored women's athletics events and Speedo sportswear have sponsored women's gymnastics events in the past, and the British Sugar Bureau are sponsoring women's netball, badminton, squash and synchronised swimming for a total of more than £500,000 over the next three years. The relative lack of media coverage for women's sports, however, is a root cause of this lack of sponsorship. A recent interesting development in respect of sports sponsored is the announcement that in 1985 London will host the World Games, organised by the General Assembly of International Sports Federations and West Nally, which will give a televised outlet for sponsorship of 21 non-Olympic sports usually regarded as minor. The sports involved include archery, karate, korfball, netball, petanque, roller hockey, trampoline, sumo wrestling and speedway.

A common, and justified, criticism of sports sponsorship is that due to the need for media coverage the majority of the money flows to the apex of the sports involved, either to the top professional clubs, to the international and national level events or, more recently, to the top stars⁵. The result is that the lower levels of sport tend not to receive the money they desperately require to develop and broaden participation. There are, of course, exceptions like Persil's sponsorship of a "clean team" award in the London Federation of Boys Clubs under-14 League or Esso's support for schools athletics proficiency awards and support for 19 youth or school governing bodies. Yet, the amounts involved are very small compared with the sponsorship of professional football clubs in London⁶ and the sponsorship of athletics events at Crystal Palace. For example, whilst

Arsenal, QPR and Watford each have sponsorship deals of over £100,000 per annum, less than one tenth of this amount goes to youth soccer in London. The Government is, however, aware of this problem and the Tory Minister responsible for sport, Neil MacFarlane is now arguing that major sports sponsorship deals should include a clause providing for a small percentage of the money to be directed to local levels of sport.

The extent of sports sponsorship in London is difficult to estimate with any accuracy, especially when the local events and teams are involved. A detailed analysis has been made of sponsorship deals (Sportscan, 1982) but it is an expensive commercially produced guide for marketing. Due to its concentration on newspapers and television as its source material it may miss out more local level deals. The Howell Report projects that local sponsorship in the Greater London and South East region in 1980 was some £3 million, though I doubt the validity of the projection method. Interesting cases of sponsorship in London which have come to notice are the Guinness School of Sport, which provides a one week school for 120 people between 16 and 20, the Standard School of Sport, for teenage cricketers, and the attempt to introduce American sports to London through the sponsorship by Slick Willies, a restaurant, of American sports days at Chelsea F.C. However, not all sponsorship deals are so trouble free. Recently Camden Basketball Club, a national division two club, negotiated a deal with a sponsor, referred the agreement to the English Basketball Association, as is required, with the consequence that, for some reason, possibly that the Association wanted the prospective sponsor to switch to a division one club, Camden lost the sponsorship.

Problems can also arise in sponsorship deals when the national body, club or individual being sponsored loses control of their sport to the commercial organisation involved. This might, for example, entail changes in the timing and rules of the sports and events, or championships and competitions being renamed. The problems over the control and financing of the London Marathon may be cited as an example of how this can occur. The marathon is firmly seen as the Gillette marathon. Control is in the hands of a private company, the profits are distributed in a closely guarded manner, the event is used by New Balance's European distributors – the race organisers – for their own benefit, whilst a majority of the costs fall on the local public bodies (GLC, borough councils and Metropolitan Police). It has been estimated (Campbell, 1983) that the costs of staging the marathon to the public were some £80,000 to the GLC – which excludes officials' time – plus substantial police and London Boroughs costs. Whilst profits of £75,000 were distributed for sports facilities, the sponsorship organisers, 1981-1986 West Nally, received £54,000 and the race directors some £11,500.





Problems are also raised by the involvement of tobacco companies in sports sponsorship, a link which is estimated to cause up to 250 deaths per year (Times Health Supplement, 12.3.1982). Not only is this a moral problem, it is also one of economics. The cost to the National Health Service of dealing with the effects of smoking generated by sponsorship of sport by tobacco companies must be considerable. Similarly, there is concern over the increasing involvement of foreign companies in the sponsorship of British sport, for example, Canon, JVC, Iveco, Coca-Cola, Marlboro. Suntory, a Japanese liquor company, do not even sell their product in Britain but sponsor the World Match Play Championship at Wentworth solely to receive world-wide television coverage.

The increasing sponsorship, by commercial organisations has seen sport, at its elite level, become a vehicle for advertising, promotion and marketing. The present Government is fully supporting this trend as a part of its policy of reducing public expenditure. The result is the selective support outlined above; certain sports are excluded, a majority of participants do not benefit, rules and events are changed, certain values fostered and reinforced and certain unhealthy products promoted. This causes problems for local authorities and statutory bodies trying to increase and broaden participation: the more exposure and finance are concentrated at the top level, the more impoverished and neglected sport becomes at the lower levels and the more difficult it is to enable and encourage people to play for enjoyment. One possible way around this may be for the GLC to sponsor clubs in certain sports or for certain groups, e.g. women, which would not otherwise receive sponsorship. This would not be a completely new move as several local authorities already sponsor clubs, for example, Bradford, Glasgow City Council, Northampton Development Corporation and Birmingham City Council.

Sport for profit: The commercial industry

In contrast to commercial sponsorship, where sport is employed purely as an advertising medium to realise profit in other industrial sectors, the sports industry attempts to realise profit directly from sport. The industry comprises two sub-sectors: the manufacture and retailing of sports goods – equipment, clothing and footwear – on the one hand, and sports services – private sports facilities and spectator sports – on the other.

An analysis of the structure, performance and future of the sports industry is almost impossible, especially for London, due to a lack of up-to-date, reliable information. What follows is therefore a rough indication of the trends and future of the sector.

Consumer spending on sports goods rose slowly until the late 70's, declined slightly and has now stabilised. Spending on sports services appears to have increased steadily until the late 70's, though no more recent figures are available. (Table 2). Consumer spending on sport and recreation, as a percentage of total leisure spending (excluding clothing) rose from 3.5% in 1975 to 4.3% in 1978 and has subsequently fallen to 4.0% in 1981. Sport spending as a percentage of total consumer spending, has remained constant between 1975 and 1981. A recent study (Marketing Strategies for Industry (UK) Ltd, 1983) suggests that the sports equipment market, part of the sports goods sub-sector, has been stable over recent years and that any increases will only occur in the market for time intensive pursuits and not in capital intensive sports.

The sports goods market can be broken down into various constituent elements, of which only sports clothing and footwear seems to be expanding (table 3). This would accord with the experience of the last ten years which has seen

Table 2: Consumer spending in the sports market

	SPORTS GOODS £m		SPORTS SERVICES £m	
	Current	Constant (1975)	Current	Constant (1975)
1973	213	310	84	102
1974	255	311	97	110
1975	310	310	126	126
1976	392	334	155	141
1977	476	351	181	144
1978	587	391	227	157
1979	706	420	284	164
1980	763	418	N/K	N/K
1981	770	398	N/K	N/K
1982	822	398	N/K	N/K

Source: Until 1979, inclusive, Martin and Mason (1980); subsequently Leisure Consultants (1982)⁷

Table 2: The Sports Goods Market

£m						
1973			1979			
	Current	Constant (1975)	% of total	Current	Constant (1975)	% of total
Equipment	145	211	68	412	245	58
Clothing	41	60	19	175	104	25
Footwear	27	39	13	119	71	17
Total	213	310	100	706	420	100

Source: Martin and Mason (1980)

an increase in both the scope and range of sports clothes and footwear marketed. Backed by extensive media, especially magazine coverage, the late 70's and 80's have seen an explosion of the fashion industry into the world of sport and a movement of sports clothing into casual wear. One set of "kit" is no longer enough. It has got to the stage where anyone who is involved in playing needs squash shoes, training pumps, jogging shoes, squash shorts, running shorts, a jogging suit, not to mention an aerobic exerciser. It is acceptable to go shopping or to the pub in a track suit, and even the hard-core supporters at London's football clubs now wear a certain (expensive) tracksuit to identify themselves.

Marketing men are diversifying and stretching the sports market, a mainly white middle class one, to its very limits⁸.

The sports services sector has grown markedly in the areas of keep-fit, health fitness and dance centres. The recent floating of shares in the Pineapple Dance Studios plc on the unlisted securities market raised over £1m, and their launch on the US stock market is awaited with keen anticipation. The last few years have seen a rapid increase in the number of dance/keep-fit/health studios springing up in London both in the commercial sector and within local authority venues, including sports and leisure centres, adult education institutes, social services centres and health centres. An interesting aspect of this is the predominantly female involvement, unlike other sports, though the class composition of the participants is not known. The marketing of such activities,

especially the commercial facilities, tend to present a sexist, image of what constitutes fitness in women.

A further hint of the possible potential of the sports goods and services sector is supplied by the Business Statistics Office VAT-based survey (British Business, 1983) which suggests that between 1978 and 1981 the turnover of dance halls and schools, sports, other recreations and betting and gaming increased by some 52%, from £1,686m to £2,566m. Investment in buildings and equipment was also buoyant, rising from £78m in 1978 to £172m in 1981, a 121% increase.

The sports goods and services sector, as with the media, is fairly selective as to which sports it intervenes in. As might be expected they are either those in which there is a ready, preferably large or high cost market or those which lend themselves to fashion, exclusivity and fad. The main sports goods cater for boating, golf, swimming, tennis and squash, and most spending in sports services goes on golf, billiards and snooker, horse riding, swimming and squash (1979 figures, Martin and Mason, 1980).

A recent study of the future of the sports market, in relation to consumer spending, concludes that a "major opportunity exists in the provision of sports equipment and clothing" (Kinsman, 1983). Other commentators (Henley Centre, 1981) are more cautious especially in relation to retailing. Consumer spending on sports participation is also expected to increase, whilst spending on spectator sports is expected to fall (Kinsman, 1983)⁹.

Table 4: Employment in London's Sports Industries, 1973 and 1978

Greater London	1973	1978	% change
Manufacturing: toys, games and sports equipment	16,707	11,437	-31.5%
Services: sports and other recreation	13,037	13,748	+5.5%

Source: Employment Gazette and Department of Employment unpublished statistics



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**Table 5: Male and female employment in London's sports industries, 1978**

Greater London	Male		Female	
	Full-time	Part-time	Full-time	Part-time
Manufacturing: toys, games and sports equipment	6,774	229	2,851	1,583
Services: sports and other recreation	5,347	2,278	2,356	3,767

Source: Department of Employment unpublished statistics

It is impossible to draw definitive conclusions about employment in the sports industries in London. The latest available figures are for 1978. Major changes have occurred since then and the way in which the statistics were collected does not allow sports equipment, clothing and footwear manufacturing and retailing to be separated out from other forms of leisure manufacturing and retailing, nor does it allow sports services to be separated out from "other recreation" services. They do show however that between 1973 and 1978 toys, games and sports equipment manufacturing employment in London fell by 31.5%, whilst sports and other recreation service employment rose by 5.5% (see table 4).

It is also noticeable that the 'sports and other recreation' services sub-sector employs a high proportion of women mainly on a part-time basis, some 30% of total women's employment.

Firms in both equipment manufacturing and services tend to be fairly small (see table 6) and it is also thought that this is the case with firms in the clothing/footwear manufacturing and retailing sub-sector.

What does this mean for local authority policies? There may be potential for intervention in the sports goods sector through employment promotion initiatives. The area which would appear most promising from the analyses noted above is sports clothing manufacturing, despite the volatility of an area prone to fad and fashion. At present, the clothing industry in London is organised in a very ad hoc manner, with many small firms working on sub-contract to larger manufacturers and/or wholesalers, with high levels of homeworking, low levels of unionisation and low levels of pay. It is also a

sector in which a majority (c. 75%) of workers are women, and about half come from ethnic minorities. From the viewpoint of industrial democracy and equal opportunities it may therefore be an area of intervention well worth exploring.

The relationship between commercial sports services and public provision can be more easily assessed, though only participant sports will be dealt with here – see below for spectator/professional sports clubs. Commercial provision of sports facilities concentrates, unsurprisingly, upon those sports which are known to be in demand either by the more affluent sections of the population or by large numbers of people. In 1976 the main commercial sports facilities were ten-pin bowling – a passing fad of the early 70's – ice-skating, squash, horse-riding, golf and tennis, (GLC, 1976). The effect of this form and pattern of provision is to distribute the use of facilities on the basis of income; membership fees may be such that exclusivity is ensured, for example the £350 per annum Canon Street Sports Centre. Commercial provision of sports facilities exclude participation by those on low incomes, the unemployed, students etc., nor do they cater for less popular sports. These non-profitable areas of sports provision are left to the local authorities to provide, if they are provided at all.

This tendency will be increased if local authorities succumb to pressure to privatise their profitable, or potentially profitable, sports facilities. As yet very little "privatisation" has occurred – Sutton has put over some tennis courts to exclusive private use, Bromley has sold a lido to a private firm, some 'surplus' school playing fields have been sold and a public golf course in Richmond Park is to be

Table 6: Employment unit size in London's sports industries, 1978

	Unit Size						
	1-4	5-9	10-24	25-49	50-99	100-499	500-999
Manufacturing: toys, games and sports equipment	104	86	93	54	23	23	1
Services: sports and other recreation	446	167	165	66	33	17	2

GLC
1981-1986

Working for London
archive.parmindervir.com

sold to the private sector. The private sector is gearing itself up for the eventuality. A consortium of Commercial Union, Dunlop, Debenhams, MacAlpine and Watneys called Cavendish Leisure has been formed to promote the privatisation of public swimming pools. The sale of public assets, at present run as socially useful facilities, would lead to their use to produce profit, which will mean no place for those on low incomes, with minority interests or who do not fit the commercial profile. As Whannel (1983) notes, the selling of public sports facilities will lead either to a worse or more expensive service, or to greater exploitation of workers, or often all three. Furthermore, all public accountability and what control local people have over their sporting life, would be lost.

Spectator sports clubs in London: A dilemma or an opportunity?

Commerce also enters into sport as a provider of live 'entertainment' for spectators; many of London's major spectator sports facilities are owned by private companies, often controlled by a small family group of businessmen. Football, cricket, greyhound racing, speedway, ice-skating and, a recent addition, rugby league, are all run as commercial spectator events staged at privately owned facilities¹⁰. From the viewpoint of the local authority there are two, inter-related, problems: recent years have seen a fall in consumer spending on many spectator sports which has severely undermined the financial viability of many professional clubs; and very few of these clubs have had any degree of contact with the people in the area in which they are located.

This problem is illustrated extremely well by London's professional football clubs and greyhound racing tracks, especially the former, whose income from spectator admissions is falling, due to a complex mesh of causes, and is not covered by ancillary income from sponsorship, advertising, lotteries, etc. Whilst it has not been possible to get information from all London's football clubs it seems that only two or three of the First division clubs are running at break-even or in profit. The greyhound and speedway stadiums are also thought to be in financial difficulties. In other words, there could be ten or eleven professional football clubs, plus four greyhound tracks that might need financial assistance. In most cases the clubs only have a positive balance sheet due to their fixed assets, that is their ground. In this situation, there is a real possibility that one or more of the clubs may go bankrupt and be forced into selling their ground for commercial redevelopment to raise capital. The problem has been highlighted in recent months by the situation at, amongst others, Chelsea F.C. where a commercial property company, Marler Properties, is trying to buy the ground from its owners S.B. Properties, with the intention of redeveloping the ground for shopping, housing and a new,

smaller football stadium. Chelsea F.C. would, however, have to move out for at least one year and their continued residence at the ground is itself doubtful.

The Chelsea F.C. board have long been aware of the financial vulnerability of football clubs and hinted at the sources of the problem; the manner in which the game is presented to the public; the destruction of the game as a spectacle by a hooligan – and a racist – fringe; and the non-commercial manner in which most directors have run the clubs (Chelsea, 1981). These causes are apparent not only at Chelsea, but to different degrees at all London's professional football clubs and many have been making efforts to turn around their financial situation. On the directly financial management side, the most radical move has been Tottenham Hotspur's recent public issue of shares with a paper value of some £3.3 million, which was over-subscribed several times, a move which QPR are also exploring. In short, the clubs are trying to instigate 20th century financial management techniques into organisations that have traditionally been run as hobbies by men who have made their money in other fields.

Such developments are important in that they may ensure the continuation of spectator sport in London. More important, however, from the local authority's viewpoint are the initiatives which clubs have taken in relation to use of their facilities by local people. The first moves were made in the late 1970's by the Sports Council through their Football in the Community scheme which involved QPR and West Ham in London, and aimed to use their facilities to encourage young people to make more positive use of their leisure time¹¹. However this project has not been as successful as was hoped. The aim of the local authorities and Sports Council in both London schemes was to undertake development work with the local people in a range of sports, football being the dominant but by no means the only sport, with the club officials and players being involved in coaching. The monitoring of the scheme suggests, however, that the facilities¹² had very restricted opening hours, appealed to a very restricted market – males 20-30 – and focused mainly on football. For example, the QPR multi-purpose all weather pitch was predominantly used to play football by males over 21 who worked locally. There was also little promotion of the facilities and despite the firm commitments from the two clubs about their involvement it was difficult to get them to provide the coaching input which was envisaged, (Ingham, 1981).

More recently, the GLC has begun to explore with several of London's professional football clubs the need to tie the clubs more closely to their local populations – through both use of their facilities and possibly even having a say in the way they are run. The Council has already given Fulham Football and Rugby League club a grant of £140,000 to cover the costs of



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B2110
KINGSCOTE
EAST GRINSTEAD 4 1/2

B2110
BALCOMBE
HANDCROSS 6 1/2
CRAWLEY 5 1/4

B2028

CRAWLEY DOWN 1 1/2
LINGFIELD 7 1/4
LONDON 31 3/4

B2028

ARDINGLY 4 1/4
HAYWARDS HEATH 8 3/4
BRIGHTON 23 1/2

replacing their traditional grass pitch with a cellular grass pitch that requires less maintenance and can withstand greater use. In return Fulham are to provide facilities and organise 500 hours per year of leisure use for local people, with their professional staff contributing sports coaching and training. A similar scheme is being considered at Brentford F.C. whereby the GLC would give them a grant to help finance their plan to build a new gym and an all weather training pitch, both of which would be available for use by local people.

This "buying in" type of arrangement is, however, only the first step along a path which might lead to a local authority buying the ground of a professional sports club, leasing it back to the club involved for a certain period each week and using it for other sports and activities during the rest of the week. The main objective of this would be to replace the existing structures of control by new ones that would "open up" the facilities to more democratic control. A first move along this path is at present being taken by the London Borough of Greenwich in their negotiations with Charlton Athletic F.C. over the future of the club and its grounds. A further such step would be to develop an existing professional club into a multi-sport club, as exist in many continental countries, in which the participants and spectators would determine the policy lines along which the club is run. At present no such set-up exists in Britain, but they are quite common on the continent, with teams such as Real Madrid, Barcelona, Benfica, Racing Club of Paris and many East European football clubs being only one part of multi-sports centres which also offer basketball, swimming, athletics, water polo and other sports. Either of these two steps would represent an attempt to break down the inward looking attitude of many professional sports clubs, and would offer an opportunity to foster a closer relationship between organisers, top performers, grassroots participants and spectators.

Crucial to the whole question of the spectator sports clubs in London is continuing, or preferably, increasing public access to their grounds. Outside the world of football concern has been expressed on the future of the White City and other greyhound racing tracks in London owned by the Greyhound Racing Association all of which have redevelopment potential. This concern has been heightened recently with purchase of £2m worth of GRA shares for a group comprising the founders of MacAlpines, the owners of National Car Parks and the Chairman of several racecourses and other greyhound tracks. Plans have already

surfaced for the redevelopment of Haringey Stadium to include a supermarket and a new, small dog track. During the rebuilding period, the probability is that racing will cease. Control of Wembley Stadium is also being sold to a consortium, headed by Arena, a company of prominent politicians and people in the leisure world, and backed by Standard Chartered Bank, who proposed a £300m redevelopment of the 80 acre site for improved sports facilities and commercial development. If the future of such sport facilities in London, and their wider use by Londoners, is to be ensured the local authority may well have to intervene in a more radical way than has previously occurred. To this end, the GLC has awarded grants to Fulham and Brentford, and discussions have taken place between the Chairman of the Council's Arts and Recreation Committee and Chelsea F.C. over the future of the club following the proposed sale of the ground to Marler Estates for redevelopment.



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Sport, commerce and the mass media: How might the local authorities intervene?

The above discussions have attempted to sketch out some of the effects which the intervention of commercial organisations has on the provision of and opportunities for sport in this country. Local authorities can play a vital role in preventing the susceptibility of sport to financial dictates, consumer pressures, sexist ideologies, and selective definitions which commercial organisations put on sport. This paper has suggested several possible areas of intervention for the Council, all of which need further analysis, investigation and debate:

- to change and mitigate the effects of the highly selective representation of sport by the media, specifically television and especially with regard to its predominant image of sport as an activity that requires the stereotyped male characteristics of competitiveness, strength, determination, courage, etc;
- to explore new means of providing information on sport opportunities;
- to counter the selective nature of commercial sponsorship of sport in London by seeking out sponsors or entering into sponsorship arrangements for local sports clubs and events, women's and ethnic minority sports, and by concentrating its own funding efforts on less privileged sports and people;
- the further study of the sports clothing and footwear industry to decide whether this might be an appropriate area of intervention for GLEB;
- to "open up" professional spectator sports clubs and private sports clubs in London to participation by local people, both in sports activities and in the policy making of the clubs.

Left: The annual London to Brighton cycle rally in aid of heart research, now attracts over 10,000 cyclists of all ages, and from all walks of life. A good example of 'sport for all'. (Photo: David Hoffman).



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The financing of sport in London: The public sector contribution

This part of the chapter sets out to give some idea of the financing of sport in the Greater London area. The large number of bodies which currently finance sport in London can be divided into three main sectors:

- the public sector, including central government, local authorities, government agencies and statutory bodies;
- the voluntary sector, which essentially covers the governing bodies of sport, local sports clubs and other voluntary sports organisation;
- the commercial sector, that is organisations which provide sports goods, services and facilities with the express objective of making a profit, including sponsorship.

These three sectors are not discrete, their financing overlaps in that they involve a certain amount of transfer payments from one sector to another – from the public and commercial to the voluntary in the form of grants, facilities and sponsorship, and to the commercial from the voluntary and public in the form of expenditure on sports goods and services.

This paper will, however, deal only with public sector financing as the figures are not available, in any form, for the voluntary and commercial sector in London.

The financing of sport in London by the public sector involves a very wide range of bodies, but this paper will concentrate on an analysis of spending on sport by the Department of the Environment, the Sports Council, the Greater London Council and Inner London Education Authority and the London Boroughs. Comprehensive data is not readily available at a London level and there are many problems in estimating public sector financing figures due to the different definitions of sport employed, the different ways figures are collated and incomplete coverage of organisations and categories. So this outline will at best only be indicative.

Central Government

The Department of the Environment funds sport projects in London through its urban programme which comprises four separate funding channels: the traditional urban programme authorities, other designated authorities (in London these are Ealing, Greenwich, Haringey, Lewisham, Newham and Southwark), the Programme Authorities (Brent, Hammersmith, Tower Hamlets and Wandsworth) and the Partnerships (Lambeth, Hackney, Islington and the continuing commitments to the now dissolved Docklands).

The proportion of the total urban programme budget of £256m, for 1983-84, which is directed to London for sports projects is not readily available from published statistics. Some estimates have been made by the DOE's Inner City Directorate which suggest that in 1983/4 a total of some £790,000 will be spent on sports in London, plus another £3,350,000 on recreation which includes keep fit, dance, snooker, facilities in parks and community centres for physical recreation. These figures exclude any projects which may be submitted by the newly designated Programme Authorities (Brent, Tower Hamlets and Wandsworth). This is out of the urban programme's total support to sport and recreation of some £20 million.

It should be noted that Central Government also finances sport through the Departments of Education and Science, Health, Trade and Industry, Agriculture, Fisheries and Food, Defence and the Home Office. Whether any of this comes into London, and how much if it does, is not possible to discover in the short term.

Sports Council

The major national bodies for sport are the separate Sports Councils for England, Wales, Scotland and Northern Ireland set up in 1972 as independent bodies "to develop and improve the knowledge and practice of sport and physical recreation . . . and to encourage the attainment of high standards". To this end they receive an annual grant from Central Government which they then distribute or spend according to their own priorities and on advice from regional offices. There are nine regional offices of the Sports Council which, together with the Countryside Commission, provide the secretariate for the new Regional Councils for Sport and Recreation set up in 1976. The relevant body for London is the Greater London and South East Council for Sport and Recreation, which acts as a forum for consultation among local authorities, user and other interests.

The Sports Council and the GLSECSR have both recently published their plans for the decade to 1990, 'Sport in the Community' and 'Prospect for the Eighties', respectively. Both documents put forward a strategy which is primarily aimed at promoting participation by all sections of the public, though with a special emphasis on certain target groups. The London and South-East regional strategy emphasises school leavers, the over 50's, women and girls, and the physically disabled and mentally handicapped, whilst the national strategy concentrates on the 13-24 and 45-59 years age groups and in particular on women, school leavers, parents with young children, low income households including the unemployed, ethnic minorities and the retired.

The strategies both have as secondary themes

the provision of basic community facilities and the improvement of management practices. The national strategy also looks to encourage excellence through both facility provision and coaching, whilst the regional strategy also aims to create more opportunities within the inner city areas. The financial implication of the two strategies is that a real increase in the present level of Central Government grant to the Sport Council (£22.777 million in 1982-3) of some £20m a year, at 1981 prices, for the period 1983-87 is required.

It is estimated that during 1982/3 the Sports Council, on the advice of its regional officers, spent some £820,000 in Greater London (Table 7). This money was split into various elements of expenditure, in addition to which money (£517,664 in 1981/82) is spent on the running and improvement of the Crystal Palace National Sports Centre. The Football Trust, through the Sports Council, also spent £317,600 on improving football pitches in London during 1982/3.

The analysis of spending for 1982/83 (produced by the GLSECSR) suggests that a large majority of the money which the Sports Council pumps into London still goes on capital works, in total some £727,250 – building indoor facilities, clubhouses/changing rooms and artificial pitches – mainly for multi-sports, but with lawn tennis and cricket being by far the most supported single sports. In comparison £90,000 is spent on equipment, coaching and leadership schemes. These bland figures can give no idea of the type of projects which have been supported, but they include such initiatives as the training of sports leaders for the Brixton Leisure Centre, the provision of a synthetic pitch at Willesden Stadium and grants to some seventy voluntary clubs for capital projects and/or the purchase of equipment.

In addition, the Sports Council is putting some £1 million a year for each of the years 1982/85 into a project, Action Sport, operating in London and the West Midlands. It aims at putting sports leaders on the street in an attempt to widen and increase participation in sport. In London 53 leaders in nine teams have been established in narrowly defined areas within the boroughs of Hackney, Tower Hamlets, Lewisham, Lambeth, Southwark, Brent, Ealing, Hammersmith and Kensington.

Finance also flows from the Sports Council directly to governing bodies and sports development organisations, to the tune of some £5,180,000 in 1981/82, an untraceable amount of which, no doubt, flows into sport in London, mainly at the upper end of the sport for national events, teams and individuals.

The present strategies of both the Sports Council and the GLSECSR reflect a change in emphasis, which has evolved since the end of the 1970's, away from a primary focus on the provision of facilities to an emphasis on increasing participation, especially from those groups in the population who generally do not take part in sport. This is not to say that facilities are no longer important; they are still needed, though again the emphasis has changed, from large indoor sports centres to more localised small scale facilities.

Greater London Council

At the local government level, the bodies involved in the financing of sport in London are the GLC, ILEA and the local boroughs. In 1982/3 it is estimated that, excluding expenditure on urban parks and open spaces but including golf courses, at least £35 million was spent on the provision of sport in London by these authorities.

The GLC's involvement in the field of sport has, traditionally, focused around the provision of sports facilities in the metropolitan parks, the promotion of London-wide championships, coaching in certain sports, and, in conjunction with the Sports Council, the running, maintenance and development of the Crystal Palace National Sports Centre. Expenditure on sports facilities in the metropolitan parks is a part of the parks and urban space sub-programme which also includes a contribution to the Lee Valley Park with its extensive sports facilities. In 1983/84 the sub-programme's budgeted net revenue expenditure amounted to some £18.091 million, which amongst other things runs and staffs 2 athletics stadia, 4 athletics tracks, 231 football pitches, 41 cricket squares, 11 rugby pitches, 9 hockey pitches, 3 swimming baths, 3 swimming pools, 116 tennis courts, 7 bowling greens, 9 horse riding facilities, 16 fishing lakes, 16 netball courts, and 2 golf courses. In addition, the net capital



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Table 7: Sports Council Expenditure in London, 1982/3

Annual Building Programmes	£198,500
Voluntary organisation grant)	£528,750 (of which £74,000 via loans)
Voluntary organisation loans)	
Areas of Special Needs grants)	c£90,000
Regional Participation grants	
	£817,250



budget amounted to some £2.863 million and included the resurfacing of the running tracks at Battersea and Victoria parks, the acquisition of sports areas for Burgess Park and the provision of tennis courts in Archbishops Park. As the Greater London Recreation Survey points out the GLC provides and runs a not inconsiderable proportion of London's sports facilities.

The balance of the Council's sports financing comes through its special recreation and entertainments sub-programme, in which specific sports expenditure can be separated out. In 1983/84 the budget allowed some £675,000 capital and £981,000 revenue as its contribution towards the development and running of the National Sports Centre at Crystal Palace. Additional net revenue expenditure of £278,000 is earmarked to encourage participation through coaching and provision of facilities, £113,000 for GLC championships and the Marathon and a sum of money, initially £802,000, then reduced to £700,000 to which some £204,000 from capital reserves has recently been added to give a total of £904,000 for sports grants. Additionally, in 1983/84, the Council has so far financed, through its 'stress boroughs' policy, the net revenue deficits of ten

Swimming is another sport that's cheap (because it doesn't depend on expensive equipment), and available to all. (Photo: David Hoffman).

sports facilities in London, amounting to some £3 million. It has also agreed to purchase Brixton Recreation Centre from Lambeth who are financially unable to run it.

For 1983/4, in order to develop its role in sport in London the Council not only set aside finance specifically available for the first time for sports grants, but also set up a sports sub-committee to develop policy and set criteria for and give grants. The criteria adopted for capital grants are such that priority will be given to projects which:

- locate in relatively deprived GLC boroughs;
- secure the permanency of facilities;
- involve under-funded sports;

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- involve facilities for use by women and ethnic minorities.

priority for revenue grants is given to projects which:

- through regional organisations aim to develop either a sport or participation for a particular group;
- initiate activities involving women, ethnic minorities, the disabled and handicapped, the unemployed and the over 50's;
- involve coaching schemes to widen participation;
- provide equipment to enable people to try new sports;
- involve events of regional, national or international significance.

Projects which have been funded so far range from equipment for Battersea Labour Club Bowls Club (£200), through the running of a Women's Day of Sport (£6,024), a coaching squad scheme for the British Judo Association (£18,810), the setting up of the Foundation for Afro-Asians in Sport (£21,600) to the community use of the new pitch at Fulham FC (£140,000) and the development of Feltham Arena (£200,000). At this stage it is, however, not possible to give a full breakdown of grants by location, sport, target group, equipment purchased, etc. but this information will be made available when it has been prepared.

The Inner London Education Authority

The Inner London Education Authority also provides a great number of sporting opportunities, through two channels; one, schools higher and further education, and two, community education. In the former channel the most visible area of financing is expenditure on grants and swimming support services, which covers the cost of eight schools' sports centres, a boathouse, school playing fields, hire charges for facilities to supplement the Authority's own and swimming instructors. The estimated budget for this in 1982/83 was £5.34 million. Additionally, in all ILEA schools and further and higher education

establishments there are both facilities for sport and specialist games teachers. Unfortunately, it is not possible to separate out the cost of employing these teachers or providing the facilities. The Authority has, over the last few years, been rearranging its provision of sports facilities by selling some of its outlying playing fields and sports centres – trying to ensure their continued sports useage – and replacing them with intensive use synthetic pitches in inner London.

Sports financing by ILEA through the channel of community education is equally difficult to put a finger on as it comprises a myriad of classes in adult education institutes and grants to youth centres, recreation institutes, youth clubs and organisations. In total, the net expenditure in 1982/83 was estimated to be some £60 million though what proportion goes on sport is not known. The sports facilities at many ILEA schools and colleges are also used by the general public when they are not required for the needs of the education service. The scale of this dual use of facilities cannot be easily arrived at, but it is an area in which possibilities and opportunities for expansion undoubtedly exist. Both ILEA and the Sports Council are actively involved in exploring their potential.

The London Boroughs

The exact extent of sports financing by the London boroughs is difficult to assess because of the different ways in which they interpret what sport is, and because money flows through a variety of mechanisms and comes

Table 8: Net Revenue Estimates, 1982-3, for Sports and Recreation Spending in London

£'000 (Nov. 1981)	Urban Parks and Open Spaces
Greater London Council	10,010
London Boroughs	63,153
TOTAL LONDON	73,163

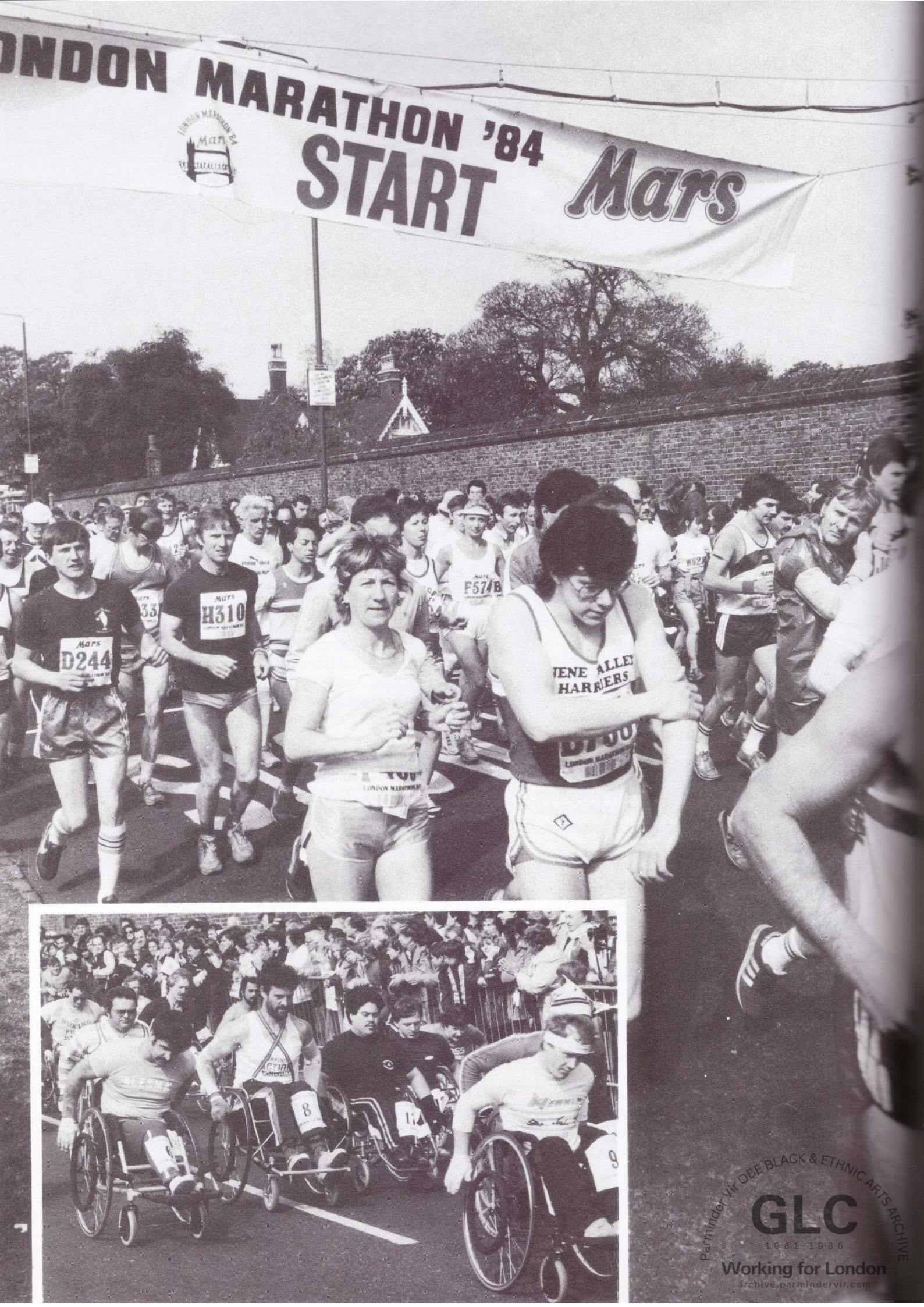
Source: as above

	Swimming Pools	Centres with Pools	Centres without Pool	Sports Facilities	Golf Courses	Recreational Grants	TOTAL
Greater London Council	—	744	—	—	—	3,854	4,598
London Boroughs	7,929	7,911	3,652	2,704	CR141	2,871	24,926
TOTAL LONDON	7,929	8,655	3,652	2,704	CR141	6,725	29,523

Source: CIPFA, Leisure and Recreation Statistics, 1982/83, Estimates



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**LONDON MARATHON '84
START**

Mars



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from numerous departments. From the very basic figures which are available it appears that the boroughs, collectively, play the major role providing sports facilities and opportunities.

DIFFA estimate that the net revenue spending on sports of the London boroughs, in the year 1982/83, was almost £25m, to which should be added an unknown proportion of the £63m they intended to spend on urban parks and open space, in order to reflect the provision of sports facilities in such locations. Table 8 gives more detail to this picture and suggests that borough expenditure is about six times that of the GLC. The level of revenue spending varies tremendously, however, from one borough to another; at the lower end, there are the City of London, Kingston upon Thames¹ and Sutton all proposing to spend less than £200,000 in 1982/83, whilst at the upper end there are Tower Hamlets, Lambeth and Islington all proposing to spend over £2 million. These authorities all remain at the top and bottom of the range when population size is taken into consideration: Tower Hamlets, Lambeth and Islington are proposing to spend more than £10 per head; Hammersmith, and Kingston and Sutton are both proposing to spend less than £7 per head, though the City of London proposes £4.35 per head.

The other side of the coin is the sports facilities which are provided by local authorities. Whilst nobody would argue that any of London's boroughs are over-provided for, the Sports Council consider that there are several areas of great deficiency in sports facilities in Greater London. These are:

• Indoor sports provision

Barking and Dagenham
Brent
Richmond
Wandsworth

• Indoor swimming pools

None

• Intensive use – pitches

Greenwich
Kensington and Chelsea
Lambeth
Lewisham
Newham
Wandsworth
Westminster

The Future

The pattern of funding sport by local government in London will, of course, be seriously affected by the proposed abolition of the GLC. It is proposed that the boroughs will assume the GLC's sports responsibilities, though the future of the Crystal Palace National Sports Centre, which is jointly financed by the GLC with the Sports Council, is yet to be decided. The arrangements for the GLC's large urban parks and open spaces which provide sports facilities and are either located in two boroughs or are used by residents of more than one borough, e.g. Victoria Park, Wormwood Scrubs and Battersea Park, have not yet been addressed, though the arts consultation paper talks of 'voluntary co-operation between the Councils concerned'. However, given that the moves which the GLC is now making in the field of sport are undertaken as a power as opposed to as a statutory requirement there is no guarantee that the Council's intervention would be continued and developed throughout London. Given the present under-provision of facilities in some areas of London, and the low level of participation by many groups in the population, such a possibility cannot be one that is to be taken lightly.

More fundamentally, it appears that the general approach behind the Government's proposals for the arts in a streamlined London is that it wishes local authorities to pursue private patronage and sponsorship with vigour. However, as the Howell report notes, sponsorship tends to be restricted to top level teams, individuals and events with little going to local sport. This tendency is unlikely to change following the proposed abolition of the GLC. Furthermore, there are also moves within local government to sell-off public sports assets to commercial organisations. It appears that such moves would be encouraged with the proposed new arrangements for sports funding, with all the attendant problems of access for certain groups of the population which a move to market distribution of services would entail. The future of *Sports for All*, in which all ages, both sexes and all ethnic minorities participate as freely as possible, is bleak.



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Left: The London Marathon, sponsored by the GLC, is already a popular national institution. By making the Marathon open to runners of all levels of ability, including people with disabilities, it has demonstrated that sport need not only be about rugged individualism. (Photos: GLC).



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Footnotes

1. A sketch guide to sports financing in London by the public sector is available

2. The emphasis on 'work rate', 'output' and other parallels drawn with industrial production might also be an image of sport which deters participation

3. Screen Sport, who hold a contract to supply Rediffusion with a sport channel have agreements with programme suppliers in Germany, Italy, Canada, Australia and America. The programmes on the preliminary schedule range from top US golf to British dog

racing, European soccer, Canadian ice hoc and Australian cricket

4. The wide variety of 1980 figures reflects the difficulties of obtaining information and the different definitions used and sports covered. The figure of £10m is a Sportscan estimate of reported sponsorship and the £65m a Sports Council/General Marketing Service (1981) estimate of total spending, including Sports Council, Sports Aid Foundation and CCPR. Other 1980 estimates include one of £46m from the Economist Intelligence Unit (1980) and two by the Sports Council/GMS which is £35m for visible sponsorship and £14m for visible sponsorship excluding horse racing. 1981 Sportscan reported sponsorship reached £21m.

5. The sponsorship of individuals is growing rapidly. The IAAA rules have been changed to allow individual sponsorship and prize money. The appearance of players looking like mobile billboards at tennis events and the success of Mark McCormack's International management Group in realising the commercial/promotional value of top sportsmen – in the main – are manifestations of this trend.

6. Even within this select circle, the majority of sponsorship finds its way to the First Division clubs with only Brentford (£10,000), Millwall (£15,000 over 3 years), Crystal Palace (unknown) and Wimbledon (£4,000) outside the First Division having any.

7. It should be noted that Martin and Mason warn that these estimates are very tentative and based on inadequate data.

8. One of the largest areas of expansion in 'sport' has been the magazines which are part of the boom in running and fitness, and which emphasize clothing and footwear in an attempt to sell goods not to give information.

9. Consumer spending on sports goods is expected to increase 15% between 1982 and 1985 and 20% between 1985 and 1988, and participation sports spending by the same amounts. Spectator sports spending is expected to fall 9% between 1982 and 1985 and then a further 5.6% between 1985 and 1988 (Kinsman, 1983).

10. Other professional sports in London, basketball and boxing being the two main ones, do not own their own facilities, but lease them from either the local authority or commercial organisations.

11. This was the objective put forward by the DOE when launching the scheme in May 1981.

12. An all-weather floodlight surface at QPR with basic changing facilities, and a sports hall at West Ham's training ground with changing and shower facilities.

CHAPTER 7

THE PERFORMING ARTS

Chapter 7

THE PERFORMING ARTS

Elizabeth Omand

Introduction

The purpose of this chapter is to give background information on, and policy issues arising from the performing arts industries in London. The term 'performing arts' covers a wide range of activities: for the purpose of this paper we have concentrated particularly on the theatre and theatre companies/groups. We have included information on dance and opera productions where this has been readily available, but time constraints combined with the very broad subject area covered in this paper have not permitted a more detailed examination of the statistics relating to dance/opera.

The main focus of the chapter is on components and aspects of the *production process* and the inputs which contribute to a theatrical production or show, from the large scale commercial and subsidised productions in the West End to the smallest scale alternative and community productions playing at a variety of venues throughout London, perhaps using only five actors or even fewer. In considering this process we have looked at employment, finance, the buildings used and production costs and income.

The performing arts sector covers venues ranging from the largest London auditoria capable of seating an audience of 2,000 or more to pubs and clubs where under 50 people may be able to see the performance. Production costs, numbers employed, the amount of advertising and publicity vary greatly from one end of the spectrum to the other. Patterns of financing are complex. In this paper the term 'commercial theatre in the West End' means large scale theatre financed privately either out of the profits of past productions or by individual, often smallscale, investors. 'State subsidised' theatre refers to the major Arts Council funded companies - the Royal Opera

House, English National Opera, London Festival Ballet, Royal Shakespeare Company and the National Theatre. In addition there are smaller Arts Council subsidised theatres mainly but not entirely out of the West End - for example Hampstead Theatre, English Stage Company Ltd (Royal Court), the Young Vic Company. Eleven London Boroughs run theatres; the companies using them may or may not be subsidised.

The Arts Council subsidises some alternative and community theatre direct, or they may be subsidised through the Greater London Arts Association, the GLC, borough councils or through various charitable trusts. There is no easy definition of 'alternative theatre'. In this paper it will be used to denote companies / performances that having rejected the current West End ethos of largescale commercial production, are seeking to produce plays which are radical either dramatically or politically. They may be aiming to convey ideas and ways of looking at situations in which the conventional theatre is not usually currently interested, and/or they may be doing this by using experimental dramatic forms. There is usually an associated aim of trying to reach audiences who don't normally go to the West End theatre. Having made this point, a number of productions by 'alternative' theatre companies have transferred to the West End recently, so the links between different forms of theatre are greater than might at first appear.

'Community' theatre may seem to overlap with alternative theatre but the distinguishing feature is the aim of involving the audience in the process of dramatic production. There are some companies which involve their target audience in providing material for shows; others may involve audiences by encouraging their participation either during the show or in discussion afterwards. A necessary aspect of community theatre is the taking of the production out into the community - to pubs, community centres, schools, festivals and so on; accessibility is another important feature.

Why should the GLC be concerned with the process of theatrical production? There are several important reasons:

- The GLC has funded four out of five major London based subsidised theatres or companies for some years; these are the Royal Opera House, the English National Opera, London Festival Ballet and more recently, the National Theatre.

- The GLC is increasingly funding alternative and community drama groups; the current administration at County Hall is very concerned that its expenditure on the arts should result in a much higher proportion of Londoners (and a wider range of socioeconomic groups) having access to arts activities than in the past. The problem here is that the commercial theatre in the West End and the London based subsidised theatres attract very much higher proportions of the professional / managerial



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classes to their productions than are present in London's population as a whole.

- The GLC is currently particularly concerned with structural inequalities in the position of women and many minority groups, particularly ethnic minority groups, in many aspects of London life. This concern is reflected in policies relating to all functions for which the GLC has responsibility, including Arts & Recreation. There is a need to consider the contribution that arts funding can make towards redressing these inequalities.

- It might be thought that the impact of GLC policies on West End theatre was limited. It is true that many of the West End theatre management's chief concerns are the responsibility of national rather than local government (for example, in relation to the deep resentment on the part of many theatre managers and producers that V.A.T. has to be paid on tickets). Nevertheless, certain GLC policies can incidentally have far reaching effects on demand for theatrical productions - for example the recent underground and bus fare reductions are said to have resulted in more people travelling to the West End for a night out at the theatre.

- The GLC owns the freehold of seven of London's West End theatres. In these cases there is scope for intervention as considered appropriate in the context of London-wide arts policies.

- The GLC's Industry and Employment Committee has the function of monitoring changes in employment numbers and prospects for different groups in the London economy. The theatre industry in London employs people directly, and many other sections for example advertising, catering, printing are indirectly affected by the fortunes of the commercial and subsidised theatre.

In looking at the various aspects of theatrical production, and the areas where GLC policies are making an impact, the chapter will outline issues or topics for discussion.

A note on statistical sources and other information

There is a wealth of information about some aspects of theatre production, much of it inconsistent. A recent publication from the Policy Studies Institute, 'Facts about the Arts' brings together much of the available information from official sources and recent surveys carried out in subjects related to the performing arts.(1)

Much of the information used in this chapter comes from this source. In the area of subsidised theatre and opera/dance it is difficult to relate costs to particular productions without much more detailed work. The commercial theatre represents an area where even less is known. Total production costs may

be freely quoted in the press, but precise breakdowns of costs, and definitions, are very hard to come by. There is little information available on many alternative and community theatre groups costs. The problems will be more apparent as different aspects of costs discussed.

Employment

Some information about employment in the performing arts industries is available from trade unions and professional associations and from a survey carried out by the Arts and Leisure Research Unit of the Polytechnic of Central London whose summarised results published in 'Facts about the Arts'.(2)

Table 1 gives membership of the major trade unions whose members work in the field of performing arts for Great Britain as a whole

It is difficult to obtain corresponding figures for membership in the Greater London area. The ALRU Survey (2) estimated that in 1978 38% Equity members lived in Greater London and a further 24% lived in the South East. It is likely that a sizeable proportion of this 24% look to London as their main area of employment, although many actors will have periods of time in London and other regions in Great Britain. As well as the actors and other theatre staff employed, the performing arts industry also generates employment in a host of other supporting service industries.

Insecurity and Unemployment

There are certain characteristics of the performing arts sector which make employment in it subject to a very high level of insecurity. Actors in some of the larger subsidised companies may be contracted to work for the company for periods of time varying between eight weeks and 60 weeks although contracts can be and often are renewed. In the commercial theatre on the other hand, actors are normally taken on for a specific production and their immediate employment prospects depend on the success or otherwise of that production. Alternative community theatre groups may have a core of a few actors who are employed in most of their productions, and then hire extra people as required. Maintenance of a small core of employment in alternative theatre comparison may be made difficult or impossible by uncertainties over funding which usually come from a number of sources.

The ALRU survey of Actors' Equity (2) estimates that members of this union spent an average of 33 weeks a year working as performers in 1977/78; other survey work done for Equity suggests however that at any one time 75% of their membership are unemployed. These averages conceal a very wide spectrum of

Table 11: Membership of Trade Unions and Professional Associations (thousands)

			1981	
	1971	1981	Men	Women
British Actors' Equity Association	19.5	30.2	15.4*	13.9*
National Association of Theatrical, Television and Film Employees	15.6	19.1	9.9	9.2

Source: Facts about the Arts/figures from trade unions and professional associations.



employment opportunities - established actors may be working most of the year, but many less well known or less skilled may be working only a few weeks of the year. Anecdotal evidence suggests that a proportion of Equity members may rely primarily on other full time occupations for their income and audition for only one or two productions a year, but there is no information on the numbers involved.

Wage rates, contracts, unionisation

For actors and other performers, Equity establishes minimum wage rates; above that minimum the practice is usually for performers to negotiate individually with the management of the theatre concerned, although in some areas of the state subsidised theatre in London, notably opera and ballet and subsidised repertory (non West End) theatres, the union will negotiate house agreements covering all performers at the theatre. Figures obtained from Equity show that the minimum wage rates are comparatively low; in the West End and the major state subsidised companies they are £120 per week, in the alternative and community theatre field they are £102 per week, and in some subsidised non central repertory theatres they are £90.50 per week. It may well be that the performing arts industry has higher income differentials than any other. In the state subsidised theatre companies in London top performers may be paid £500 per week, while in the commercial theatre figures twenty times this amount can be paid. In one area of state subsidised activity - opera - payment of performers is higher than in almost all commercial performing arts activity: a recent Government financial survey of the Royal Opera House (3) shows that guest singers can be paid as much as £6,000 per performance.

For actors, musicians and dancers in the West End theatre at least, the profession is virtually a closed shop. All West End theatres, state subsidised theatres and repertory theatres in London must pay Equity rates. Despite the existence of a few non West End small theatres where actors do not receive Equity minima, personnel at Equity do not consider employment of non-union members a major problem. In the last five years the Independent Theatre Council and Equity have made great progress in ensuring that practically all actors, musicians and dancers in the alternative

theatre sector are paid at the Equity minimum for this type of work and are members of Equity. It seems to be accepted that newly formed groups may not initially be able to pay Equity rates but they are encouraged to reach this position. There is some concern in the alternative and community theatre that MSC grants to small theatre groups may not allow the payment of Equity minimum rate, and the question arises as to whether other funding bodies such as the GLC should give grants to 'top up' wage levels to Equity minimum, or not.

Associated with the high level of unemployment in the acting profession mentioned above is the fact that Equity membership is not immediately available for an actor or other performer wanting to work in the theatre. A provisional Equity card is given to performers working with an accredited company paying Equity wage rates; they then have to work for a period of time in non-West End venues before being awarded full Equity membership. The union covers opera singers, and soloists and dancers as well as actors.

Employment links with other cultural industries

For those working in the theatre both on and off stage there are employment links with other cultural industries. To a large extent those employed in the performing arts sector live with the inherent insecurity of their profession, and value the opportunities it gives them for working in a variety of areas within the performing arts field, and for moving between one cultural medium and another. The fact that, for example, actors may be working for a short time in London theatre, followed by a spell in regional repertory theatre and interspersed with work in the film industry or television also explains why information on those employed in the performing arts field is so difficult to obtain. In 1977/8 the distribution of employed Equity members (in terms of working weeks) (according to the ALRU Survey cited above (2)) was as follows: 19% of the sample were working in radio and TV, and cinema, and 75% in live performances. This latter category was broken down as follows: concerts, opera and ballet - 5%, theatre - 54%, clubs - 15%. 'Other performing arts' accounted for the remaining 5%. These results give an idea of the proportions of performers working in different



cultural sectors, but we have no statistical information on the extent to which they move from one sector to another. Similarly actors may move from the state subsidised to the commercial theatre and back again over the course of a few years, and increasingly actors may be transferred when productions starting life in alternative or regional repertory venues are transferred to the West End.

Information from NATTKE given in 'Facts about the Arts' (1) shows that the distribution of their members at the end of 1979 was as follows: theatre, 2,600; cinema 4,500; television, 6,500 and film 1,900. A miscellaneous category said to comprise mainly those working in bingo halls, accounts for the remaining 1,500 of the membership.

Women in the Theatre

Equity states that it currently has on its membership list 16,594 men and 15,104 women. The numbers of men and women employed in the theatre may be nearly equal, but many women in the theatre feel strongly about the fact that theatrical production is dominated by men. A recent paper from the Media and Arts Working Group of the Women's Committee (4) has made the case for special priority to be given to women in the Arts. It points out that most artistic directors and administrators in the theatre are men, and that the majority of plays put on will have more parts for men, and women's parts will be stereotyped and of less importance, and asks that the GLC 'should address itself to the inequality of women when considering funding to cultural bodies, not only in community and ethnic arts but also in the traditional field'. Other organisations are also concerned with inequalities in the provision of women in the performing arts. The Women's Playhouse Project has the aim of purchasing a Central London theatre which will specifically provide opportunities for women currently working in the theatre but also offer a training ground and a model for young women who anticipate a professional theatrical career. This will give women writers and directors a chance to offer mainstream London audiences work which 'is distinguished by its attention to the points of view and concerns of women'.

Increasingly over the last ten years alternative and community theatre groups have been set up, run mainly or entirely by women, and with the aim of presenting performances which raise issues relating to sexual inequalities in society. The GLC is currently funding a number of these groups. Many other community arts drama groups also cover these issues in their performances of course.

Ethnic Minority Groups in the Performing Arts

The conditions affecting the role of women in the theatre are generally felt to apply with even

greater force in the case of ethnic minorities. A recent paper on Black Theatre Policy (5) submitted to the Ethnic Arts Sub-committee outlined the two directions currently being taken taken by ethnic art. In the commercial theatre black drama has tended to be seen as an 'exotic spectacle' (dancing, musical performances of various types) or has been directed towards the presentation of situations seen to be confined to black people. Thus black actors may be forced to play mainly stereo-typed roles in performances which are directed primarily at white middle class audiences.

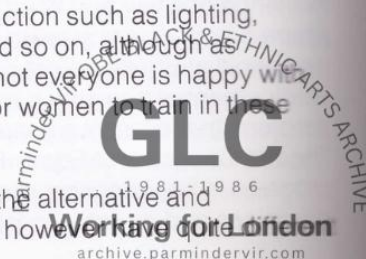
An area of increasing importance over the last ten years has been the emergence of black drama groups publicly funded to a large extent and working in a community context. The author of the paper on black theatre policy points out that this approach too has its dangers - that performances 'may offer a view of black life which is practically unrecognisable to anyone who doesn't belong to these groups'. It is also pointed out that while both commercial and community theatre have enabled the emergence of excellent black actors, few directors and playwrights have been given the opportunity to develop. The paper concludes with recommendations that a proposal should be developed for the establishment of a central black repertory, and that plans to increase the number of black actors employed in the major subsidised companies should be devised. A competition for plays written by ethnic minority group members is also a possibility. There are other opportunities for funding organisations to ask for training opportunities in the theatre to be made more widely available to members of ethnic minorities. Equity is pressing ultimately for integrated casting along the lines currently being implemented in the United States, where choice of actors is seen to be solely dependent on ability and suitability for the part rather than racial origin. In this context it has to be said that recent initiatives by television companies (particularly Channel 4) to employ more black actors and presenters are helping to get a public awareness and acceptance of ethnic minority actors.

The GLC is presently funding the establishment of a Black Arts Centre at the Roundhouse, which will provide opportunities and space for groups working in a variety of cultural media.

Training Needs

Actors in the West End and large state subsidised companies have almost always received formal training at drama schools. A variety of courses also exist for those employed in backstage production such as lighting, scenery, design and so on, although as suggested above, not everyone is happy with the opportunities for women to train in these fields.

People working in the alternative and community theatre however



learning needs from those courses traditionally offered. Many actors in this field have not received formal training and many drama schools do not in any case train performers in the variety of very different skills required for community theatre. Those involved suggest that there is a need for workshops in say singing, voice control, lighting techniques and, for administrators, in subjects such as VAT and national insurance requirements, and how to set up a company/co-operative. There may be a need to provide resources for training so that those in the community area of performing arts can more easily take time off to train in necessary skills.

Playwrights - Opportunities for new writers

The subject of new writers in the commercial West End and large state subsidised companies will be considered in a later section on the type of production offered by these sectors, since the two aspects are closely related. Reference has already been made to the need to encourage the development of new ethnic minority writers for the theatre. There is a growing realisation that there is a need to allow resources and time for new writers to be involved in all sections of community and alternative theatre; funding organisations are beginning to introduce schemes whereby writers can work directly with small drama companies and produce work which is relevant to their needs, but there seems to be a feeling that this work is currently underfunded. As in the case of training in community theatre, there is a need to provide resources so that actors can take time off from immediate production needs to develop new drama with writers.

Theatres in Greater London

The British Theatre Directory 1981 (7) lists 81 theatre auditoria in the Greater London area. Of these, currently 46 theatres belong to the Society of West End Theatres. Included in the West End theatre total are eight major state subsidised theatres. The remaining 35 theatres include 11 theatres owned by Borough Councils, 10 comparatively small theatres mainly outside the West End receiving Arts Council subsidies and subsidies from other sources and nine run by drama schools. ILEA and University of London Theatres and theatres in arts centres providing a range of cultural activities make up the remainder of the non West End theatres. The size (seating capacity) of theatres in London shows great variations; five theatres had 2,000 or more seats while another four had between 1,500-1,999. At the other end of the scale, 15 theatres had fewer than 400 seats.

The GLC has some direct interest in theatres through its ownership of seven London freeholds in the West End. Many West End theatres are listed historic buildings, or are in

areas designated as Conservation Areas. The existence of the Use Classes Order restricts the purposes for which theatres can be used, but the Historic Buildings Panel and the GLC Arts and Recreation Committee have recently agreed that the Use Classes Order needs an amendment to prevent the easy conversion of theatres to cinemas (6). The majority of London's West End theatres were built before 1900 and there is widespread concern that theatres, which are seen as contributing materially to the status of London as a world centre of the theatrical arts, should be preserved and kept open for theatrical performances. There are various other organisations, such as the Theatres' Trust and the Save London's Theatres Campaign which have a direct interest in the preservation and continued use of historic theatres. The age of the buildings and rising expectation of what both audiences and performers require in the way of facilities mean that many buildings require substantial and expensive renovation if they are to be brought up to acceptable standards of comfort, convenience and safety.

The fortunes of the West End theatre show great volatility. There has recently been a rise in the number of theatres changing ownership, which may affect the number and duration of productions considerably. In March 1983 there were 16 'dark' theatres in the West End; by the beginning of December 1983 not a single theatre was dark, a situation unheard of for at least five years (8). It is difficult to say therefore whether there is in fact 'over capacity' in theatre buildings or not. Certainly the numbers visiting the West End theatre have increased in the last two years. And the theatre industry has experienced large increases in capacity over a longer time span; in the last ten years 10,000 seats have been added to the theatre industry in the West End (9).

Alternative and community theatre groups are generally less likely to use established theatres for productions, although a number of alternative theatre groups have transferred productions to the West End - for example *Belt and Braces* transferred 'Accidental Death of an Anarchist' to Wyndhams Theatre where it ran for two years. While some alternative theatre companies may use regional repertory theatres or Arts Council subsidised theatres in outer London for their performances, the nature of community theatre, with its emphasis in taking drama out into a variety of community venues, means that clubs, pubs, church halls, community centres and arts centres are all used for performances. To give an idea of the range of venues, one community theatre group states in its annual accounts that in 1981/82 it gave 261 performances of which 41 were in pubs, 48 in community centres, 17 in community venues, 16 in student venues, 5 in cafes, 19 in open spaces (of which 13 were in Covent Garden portico) 5 in theatre foyers, 10 in schools, 26 in small theatres, 40 at festivals and 29 in play schemes.



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Although community and alternative theatre groups may perform in a variety of different venues, buildings may be required for some as a home base for rehearsals and associated activities. There is no collated information on how many groups own buildings as a base, but the GLC has recently given a grant for example for the purchase of a house for the Tara Arts Group and there are possibilities for the GLC assisted Black Arts Centre at the Roundhouse, and a Theatre Resource Centre which a number of community theatre groups could use for rehearsals, storage, construction of scenery/props and as a meeting place.

There is a need to develop a policy for theatre buildings in the light of fuller information on what are current requirements for the commercial and state subsidised sectors of the performing arts. This might be a policy area where the GLC's main role is advocacy rather than direct financial input. Any decisions on possible financial contributions must be seen in the context of overall arts funding policy.

Sources of Finance and Costs of Production

The performing arts sector is one in which there is an enormous variation in scale of financing and costs of production. It is also one in which any theatre company, whether state subsidised, commercial West End or small scale venue based or touring is subject to a high level of financial insecurity. This insecurity results from the risks inherent in competing for a particularly volatile component of consumers discretionary income, and also from uncertainties over sources of finance, whether this is private investment or funding organisations.

The Commercial Theatre

The commercial theatre in the main is completely privately financed, although the Theatres Investment Fund has provided limited capital for some new productions in the last five years. For theatres with producing managements, finance for new productions may come from the profits of past productions, or it may be raised from a large number of small investors ('angels') some investing as little as £100. For independent producers, investment by small investors provides the main source of capital; this is an area in which commercial organisations with funds to invest are not on the whole interested. Investors are paid back out of the surplus over weekly running costs once the production opens at a theatre. A figure widely quoted, but for which there is no detailed statistical back up, is that out of 5 productions, one will make a profit, two will break even, and two will make a loss. Productions need to run for at least four and probably six months before they break even,

even at relatively high audience capacity levels of 70 per cent.

Hard information on costs of theatre production is difficult to come by. Figures currently quoted in the press suggest that a play may cost £100,000 to put on, musicals £500,000 or in exceptional circumstances £1m. A 'typical budget' for musicals and plays is given in John Pick's book *The West End Theatre: Mismanagement and Snobbery* (10); total production costs for a typical musical are given as £460,000 and for a play £95,000. Weekly running costs are also given (see Table 2).

What emerges from these figures is the comparatively low direct salaries and wages component in production costs, around 16 and 13% respectively. Scenery and properties and printing / publicity are important components in production costs and thus indirectly help to create and maintain employment in the London area, but further work is needed before the contribution of the commercial theatre to London's economy can be assessed. The *British Theatre Directory 1981* (7) lists for example 50 companies providing lighting for the theatre, 37 companies concerned with costume making and hire, 44 companies providing theatre properties. In addition there are advertising and publicity companies and actors agents, many of whom rely substantially on the commercial theatre for their income and profitability.

As the table shows, in the case of running costs, salaries of actors, musicians, and theatre staff form a much higher proportion of total costs - just over 50% in the case of musicals and 43% in the case of plays.

Large state subsidised companies

The main source of funds for English National Opera, Royal Opera House, the Royal Shakespeare Company, the National Theatre and the London Festival Ballet is the Arts Council. Another paper on arts funding (11) gives further details of these grants, which in the year 1981/82 totalled £23 million. The proportion of 'earned income' i.e. receipt from ticket sales, varies enormously between these companies. The Royal Opera House receives 44% of its income from ticket sales (12) while the English National Opera earns 28% of its income; however each performance at the Royal Opera House in 1980/81 was subsidised to the extent of £31,200, compared with a figure for ENO of £22,500. Subsidies per performance for opera are the highest for any form of performing arts; high standards (and consequently costs) in production design combined with numbers of singers and musicians and perhaps, above all, the fact that both those companies are running repertoires of around six or more opera productions at any one time helps to explain these figures. (There are no figures readily available for the costs attributable to setting up individual performances of opera and those of changing

Table 2: Examples of production and running costs in West End commercial theatre (1982)

	Production Costs	
	Musical	Play
Scenery and Properties	125,000	20,000
Costumes	50,000	8,000
Sound and Lighting	25,000	2,000
Salaries for actors, musicians and staff	75,000	12,000
Fees to Director, designers, choreographer, etc.	25,000	10,000
Theatre rent and charges	25,000	10,000
Rig up of set and lighting	15,000	5,000
Travel and set transport	5,000	1,500
Printing, advertising and publicity	60,000	20,000
Management Fees	4,000	2,000
Legal fees and insurance	5,000	1,000
Casting and audition expenses	5,000	1,000
Orchestration and music-copying	30,000	—
Rehearsal rooms, scripts, etc.	5,000	1,500
Sundries	6,000	1,000
	£460,000	£95,000



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Running Costs (Weekly)

Salaries – actors and staff	12,000	3,250
musicians	4,500	—
theatre staff	6,000	2,500
national insurance	2,000	600
holiday provision	800	200
Theatre rent	10,000	3,000
light, heat and other charges	1,500	1,000
Publicity	2,000	1,500
Hire of equipment	2,500	500
Management Fee	500	400
Insurance	250	50
Royalties – authors	3,750	1,125
directors, choreographer	2,000	450
management	500	150
Sundries (cleaning, replacement, etc)	1,200	20
	£50,000	£15,000

Source: *The West End: Mismanagement and Snobbery.*

scenery, costs, costumes etc. nightly or every two or three days).

Theatre productions at the National Theatre and the RSC had much lower subsidies per performance of £4,600 and £1,750 respectively for 1981/82 and received in the case of the National Theatre 34% 'earned income' and in the case of the RSC 58% 'earned income'. The variations in subsidy to these two theatres

cannot be readily accounted for by variations in the type of production they put on. State subsidised theatre and opera companies also attract a certain amount of private sponsorship (15).

Because the state subsidised companies are running a repertoire system with specialist departments working on publicity, costumes, scenery and so on for all productions, figures



for individual production costs comparable to those given for the commercial sector are not available. The Royal Opera House gives figures for costs of new productions; in 1980/81 these varied from £113,448 to £253,153, but publicity, staging, rehearsal and a number of other costs are not included.

A recent Government report on the Royal Opera House (3) considers that savings could be made in certain production costs by streamlining union work practices backstage and by effecting some savings in for example costume costs. Costumes at the ROH cost on average of £600 apiece, six times as much as one West End theatre producer recently quoted in the press (13) reckons to spend on costumes.

The repertoire system undoubtedly adds to running costs in the state subsidised sector. It has advantages for actors in that they are not playing the same part continually for weeks or months on end, and this may contribute to the high standard of performance. In the view of a number of commercial producers it also makes established actors more inclined to work in the state subsidised sector, where they will in any case be paid well above the Equity minimum - commercial theatre management may find themselves having to pay very high salaries to such actors to get them to act in a performance.

Production costs and their relation to the nature of the production: large theatre companies

The previous sections on production costs have highlighted the scale of productions in both the West End theatre and much of the state subsidised sector. Costs have increased greatly over time. Baumel and Bowen, in one article on the economic problems of the performing arts (16), point out that in the state subsidised sector, the aspirations to excellence and the way in which these organisations are funded, combined with a general inability to benefit from technologically induced productivity increases, make for escalating costs over time. John Pick (10) details the process of production in the commercial theatre over the last 140 years and shows how it has become vastly more complex and thus expensive. He considers that theatre managers deliberately created a style which required an ever increasing proportion of costs to go for backstage and various support services, such as publicity, and which was associated with attracting higher and higher proportions of wealthy middle class audiences.

However one views the reasons for increasing costs in the West End theatre it seems that both the commercial theatre and the large state subsidised companies have got themselves into a situation where they think it necessary to produce plays and musicals on a lavish scale, because that is what the audience wants; where in terms of cost proportions of off-stage staff to

actors are increasing over time; and where competition between theatres has helped to force up advertising and publicity costs. The practice of contracting out scenery design, props, costumes etc. in commercial theatres adds to overall costs as those companies specializing in aspects of theatre production must all make a profit.

Although there is some doubt as to whether West End ticket prices have increased faster than the rate of inflation in recent years, prices are generally high when compared with other forms of entertainment. The average West End theatre ticket in 1982 cost over £6 and averages for subsidised opera tickets for 1981/2 were £7.50. This inevitably results in the West End theatre audiences coming disproportionately from higher income groups.

Commercial theatres have to provide 'what the public wants' in terms of type of production, because they depend totally on ticket sales as a source of income. The state subsidised theatres have different aims, concerned with presenting a high quality of performance and presenting a range of different works, whether these are mainstream traditional drama or those of new writers in the theatre. There is however concern among a number of West End producers, exemplified by a recent article in *The Stage* (17), that subsidised companies are usurping their traditional roles and putting on more and more popular works and revivals, while it is the commercial theatre which is prepared to put on plays by new and fringe writers. Financial pressures and uncertainties have undoubtedly led the subsidised companies to become more aware of box office sales figures in the past four years, and it is certainly true that individual producers in the commercial theatres have put on a number of alternative 'fringe' productions and plays by serious living writers.

Income from productions: Commercial and state subsidised West End theatre

In 1982 ticket sales in the West End, including the seven large state subsidised theatres, totalled £59m (9). This represents an increase of nearly 20% over 1981 figures, despite the reduction in number of shows put on by the grant aided sector.

Nearly 9 million tickets were sold in the West End in 1982, an average of nearly 30,000 every night. One point to mention is that 25% of the audience in 1982 were from overseas, over half from North America. It can be assumed therefore that West End theatre is, like many other industries, subject to external influences such as the relation of the pound to the dollar, although in this case a lowering of the sterling exchange rate, relative to the dollar, is beneficial to the theatre and other industries relating to tourists, as it encourages North Americans to visit the UK. It is difficult to quantify this effect however.

Another factor at work in influencing the West End theatres' income is that the West End theatre can be seen as a commodity which is consumed along with others such as transport, restaurant drinks out. So changes in prices of these commodities can effect consumption of theatre tickets. The Society of West End Theatres, considers that the introduction of 'Fairs Fare' and the more recent entertainers may have had an effect, identifiable though it is, on people's ability to buy theatre tickets and attend performances. People's views on the cost of the whole night out are significant in determining whether they go to the theatre and how frequently. An estimate 70% of the West End theatre audience normally eat out when visiting the theatre in London. Thus the catering industry in London can be significantly affected by the number of theatres in the West End currently putting on shows, and their attendance figures (14).

VAT

All theatre tickets are subject to VAT, currently at a rate of 15%. The Society of West End Theatres calculates that VAT payable on theatre tickets in the West End amounted to £7.5 million in 1982 (9). To put this figure into perspective, this is just £1m less than the Arts Council's grants to the National Theatre Board and the RSC in 1981/82, which together amounted to £8.5 million. Thus there can be seen to be a degree of cross subsidisation within the theatre; all the commercial theatres income is subject to VAT, whereas for state subsidised companies only the 'earned income' component is subject to VAT. Various organisations representing the theatres' interests point out that other cultural products, for example books, are not taxable, and are pressing for its abolition with respect to theatre tickets.

Financing and Costs - alternative and community theatre companies

Small, non West End theatre companies in London are subject to much greater levels of financial insecurity than the larger companies considered above. They must all depend on public subsidy to a large extent; the Arts Council, the Greater London Arts Association and particularly in the last two years, the GLC are all important sources of finance. In 1981/82 GLAA received £1.2m for distribution to London based small theatre companies.

A recent Arts and Recreation Committee paper (18) gives details of GLC grants to cultural and sports bodies. In 1983/84 some £935,926 is going for operating expenses for Theatres and theatre groups, £398,542 for Community Arts Sub Committee funded drama groups and a further £890,000 for Ethnic Arts Sub-Committee (this includes all Ethnic Arts, not just drama). More research is needed to assess how the GLC's considerably increased

contribution to drama groups in London is helping to maintain these groups and how it relates to other funding sources.

Funding and its relation to alternative/ community group productions

Small alternative theatre companies (non venue based) may receive subsidies for a particular production, or for particular items of equipment. They are not, as in the case of large building based national companies, given a grant for a particular period of time to distribute among productions as they choose. In this respect they are more accountable than larger companies. Changing funding emphases can dramatically increase their inability to plan ahead, in terms of future productions. GLAA has recently changed its funding policy, so that 44% of its budget will go to subsidise venues, which it is thought, will then be able to match the production more closely to the needs of the surrounding community. This may ultimately benefit consumers of the product and possibly, by encouraging a more critical approach on the part of the venue organisers, result in pressure for more relevant and perhaps better, community drama. However for the community drama groups in London who used to get funds for productions from GLAA, it makes for greater financial insecurity, at least in the short term. The change from revenue to production or venue funding may also mean that companies are less able to visit pubs and clubs, where the income from 'passing the hat round' will not cover the costs of putting on a production. This may affect the socio-economic characteristics of the audience; for companies aiming to play to working class audiences, the touring of pubs and clubs gives access to audiences with higher proportions of working class people. Thus funding methods may affect different audiences' accessibility to drama events.

The question of the distribution of alternative and community productions throughout Greater London is one that must be raised when considering funding of small drama groups. Currently a very small proportion of community theatre groups are based in outer London, and many of the performances of groups take place in inner London - often in boroughs which are not among the most deprived in income, employment or cultural terms.

Most alternative or community based companies receive some 'box office' income in terms of ticket sales, as well as receiving grants from public funding. The fact that this may be a smaller proportion of total income does not necessarily mean that the subsidy per seat is any higher than for the large state subsidised companies. Total costs are intimately bound up with the type of production on offer. Alternative and community theatre groups have implicitly rejected the 'conspicuous consumption' related to West End theatre productions. Their



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dramatic 'roots' are often in more popular traditional forms of entertainment such as music hall, and the circus, rather than the type of production currently put on in the West End. They might employ less than half a dozen actor/administrators, they use the minimum of scenery, props and costumes; since many such companies take their productions out into the community and put on only one performance per venue, this simplicity of approach is essential. This means that the greatest component of costs is the salaries paid to participants. A limited analysis of data supplied by the Independent Theatre Council and of information supplied by applicants for GLC grants provides figures for percentages of total costs attributable to employment. For venues, with or without their own productions, employment costs varied between 56 and 82% of all costs, where for touring companies employment costs varied between 71% and 89% of the total. These were for 16 companies able to pay the current equity minimum of £102 per week.

Thus subsidies and grants to community and alternative theatre groups would seem to be cost effective in helping to maintain employment levels in small drama companies. A further point is that most of these companies operate as co-operatives; all members of the group pay themselves the same salary. Thus, pound for pound, subsidies to such companies will keep more actors in employment than subsidies to organisations with hierarchical wage structures.

Dancing in the park. The GLC arts policies have also prioritised spending on the elderly. (Photo: David Hoffman).

Issues in the Performing Arts

The GLC has two main ways in which it can bring its influence to bear on the performing arts sector in London:

- by funding drama groups and projects directly. In the last two years the overall arts budget has doubled to £16m.
- by advocating changes or best practices to organisations with which it has contact, and by establishing discussions with concerned organisations with a view to bringing about such changes.

In this context, what should be the main focuses of GLC activity in the performing arts area? The following list suggests areas in which it is and might be further involved.

- Employment. While the GLC Arts and Recreation Committee must consider the nature and type of the product being offered, the employment implications of grant awards are clearly significant in the current economic context. Is this an area for further study?

■ **Conditions of employment.** What should be the attitude to groups not paying equity rates? How much weight should the GLC give to countervailing the prevailing insecurity of employment? How do funding directions affect this?

■ **Training.** Should the GLC be considering sustaining initiatives for the community arts sector? If so, what is most appropriate and why?

■ **Women and ethnic minorities.** Aside from assisting women and ethnic minority groups, what more should the GLC do? Should moves towards integrated casting be a prerequisite of going to building-based companies?

■ **New writers.** Should the GLC find ways of giving increased emphasis to new writing for theatre in its funding? If so, what should be the balance between writing for the traditional as opposed to community theatre, and between writing with an emphasis on examining political and social issues, and writing which is dramatically rather than politically radical? (It is recognised that these characteristics are not necessarily mutually exclusive).

■ **Buildings.** How important is it to advocate maintenance of historic 'distinguished buildings'? Does more work need to be done on what are the requirements of different drama groups in London, and what types of venue are most suited to the purpose?

■ **Area distribution of venues.** What should be the balance between funding building based companies as opposed to companies taking their productions to a variety of community venues? Should more attention be given to ensuring a more even distribution of drama throughout London?

(8) *The Times*, 10 November 1983

(9) *Society of West End Theatres: West End Theatre Data* 1982

(10) John Pick, *The West End: Mismanagement and Snobbery*

(11) Arts Funding. GLC unpublished paper 1982

(12) House of Commons report from Education Science and Arts Committee. Session 1981/82. Public and Private Funding of the Arts. Vol 1: Report

(13) *Financial Times*, 8 November 1983

(14) *Society of West End Theatres: West End Theatres, Restaurants and Pubs*

(15) Business Support of the Arts. GLC unpublished paper DG/CPU/PSA June 1982

(16) Baumel and Bowen: On the anatomy of the Performing Arts and their economic problems, *American Economic Review*, May 1956

(17) *Stage and Television Today* 10 November 1983

(18) Arts and Recreation Committee AR 1431. Grants to Cultural and Sports Bodies. Funds available 1983/84



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Notes

(1) Facts about the Arts. A summary of available statistics by Muriel Nissel. Policy Studies Institute September 1983

(2) Arts and Leisure Research Unit (ALRU) Polytechnic of Central London (survey results quoted in (1) above)

(3) Report of Government Financial Survey on Royal Opera House, Royal Shakespeare Company, to be published shortly

(4) Women in the Arts. A report from the Media and Arts Working Group of the Women's Committee. W220

(5) Black Theatre Policy: a discussion paper. Ethnic Arts Sub-Committee E/AR84

(6) Arts and Recreation Committee Paper. AR 1245. 26 October 1983

(7) *British Theatre Directory* 1981

CHAPTER 8

THE VISUAL ARTS

Chapter 8

THE VISUAL ARTS

**Conrad Atkinson and
Margaret Harrison**

Introduction

This chapter attempts to do two things. Firstly to outline the reasons for the low status given to the visual arts - a Labour Party document and the TUC document on the arts have little on these areas - even though the visual arts are all pervasive. Secondly, it attempts to locate in practical terms how we can begin to find ways of remedying this situation. In most cases more in-depth research on each of the areas will need to be drafted before action can be taken.

The term 'visual arts' in this document means: painting, sculpture, printmaking (which would include the production of posters, making of illustrations for books as well as mechanically produced images using various printing techniques) photography and certain hybrid forms such as "performance" art and video art mixed media productions. These techniques cover the widest possible areas of both traditional fine art practice and the new attitudes which have a history but which have developed throughout the 70s under the term "community art". This covers for example painting mural projects as well as easel painting; posters as well as comics. Also the term "community" covers the notion of community of interest as well as geographical communities.

The Policy Studies Institute in its document 'Facts about the Arts' published in September 1983 comments that there are very few statistics about both the nature and extent of either professional or amateur activity in the visual arts. This was borne out by the research for this document and one of the most important proposals is that a researcher into the visual arts should be employed to produce and co-ordinate a comprehensive document on the visual arts in London covering both the conditions of workers in the visual arts as well

as the accessibility and structuring of the consumption of the visual arts, and the changing (and dwindling) face of art education in the face of the massive threats to art colleges, fine art departments (such as Ravensbourne) in the London area.

Employment Trends in Visual Arts

Some indication of the potential employment needs of visual artists can be gained by looking at the relevant art courses. Table 1 shows the general picture in 1983/84:

In terms of graduate employment, Table 2 is based on a two-thirds response of the first destination of polytechnic students in 1982. Accurate figures for fine art students are not given separately, nor are graphics students separated from other design students so although it is difficult to compare performance, there are some general conclusions.

In the category 'art' over two-thirds of these students responding to the survey had not found permanent employment. In the category 'design' just over half of these students had not found permanent employment. Within art there are marginally more men than women whilst in design 57% of graduates are women and 43% men. Surprisingly, the numbers of graduates entering the teaching profession is very low - in the art category only 11% in permanent employment found teaching posts.

The above contrasts with a review of art school leavers in 1968 by Richie, Frost and Dighton published in 1972 by HMSO. Here 72% of all art and design graduates found employment in art related work (albeit at very low wages). From this it would seem that unemployment of art and art design graduates has risen rapidly over the last few years.

Employment Conditions

Where artists find relevant employment conditions are usually highly unsatisfactory. The best conditions are in general terms, found in venues such as the Lewisham residency where an appropriate wage and studio are provided with help from both the local authority and the Greater London Arts Association (GLAA). Most residencies are fixed term contracts for one year. Residencies in schools however tend to be for one term only. As one of the advantages of a schools residency is ability to cover subjects outside the academic curriculum this is scarcely long enough to achieve more than a token presence.

In terms of showing in galleries, again no clear figures can be gained. However, taking public galleries in London first, these are mostly



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Art in the community: an artwork at Langdon Park school. (Photo: David Hoffman).

Table 1. Committee of directors of Polytechnics – first destination of poly students. Full-time and sandwich courses.

	Total in survey	Total to respond	Men	Women	Perma- nent employed	Perma- nent employed	Perma- nent employed	Total women graduates	Total men graduates
Art and design – Fine art Visual studies Art and design History of art	837	524	269	255	163	83	80	410	427
Design – Graphic design Interior design 3 D design Textiles/fashion	1,448	942	412	530	459	197	262	824	624

Source: Figures

1a p11 first degrees - summary of first destinations
1b p22 first degrees - summary of first destinations

Men - full time and sandwich
Women - full time and sandwich
Working for London
archive.parmindervir.com

GLC
OBE BLACK & ETHNIC ARTS ARCHIVE
Minder Vir

supported by the Arts Council of Great Britain and GLAA supplements such funding in a number of ways. For example, GLAA funds the Whitechapel Gallery (£6,000 in 1983) to place artists in schools. In spite of this the fee payable to artists having a one person exhibition in designated galleries is still only £100 which is the level it started at in 1978.

This system of payments was initiated in designated venues by the Arts Council and administered through the Regional Arts Associations. The GLC should initiate a similar policy of fees for showing work by living visual artists in GLC venues and the fees should be subject to review. We are extending our exhibition policies currently, for example in the Festival Hall, the Queen Elizabeth Hall. Other GLC venues such as Kenwood House occasionally show works by living artists. We need a code of practice to prevent the exploitation of artists who are naturally keen to show their work but who find themselves subsidising quite large institutions by paying transport, framing, insurance, materials and even hanging the work themselves without help.

In terms of private galleries there are several hundred in London of varying sizes but very few of them are in a position to offer a contract to artists and even fewer have artists who are able to live by selling work. One of the largest galleries, has been quoted as saying that it sells only 10% of work in England, the rest being sold abroad. Although this market has improved over the past three years it doesn't provide any significant employment or income for artists. It is worth pointing out however that newspaper critics reporting on the visual arts in the main tend to concentrate on those artists who show in these private galleries and this sector influences very heavily the work which is shown in both public galleries here and exhibitions of English art abroad and this in turn influences the art education and its priorities within our fine art departments.

Initiatives for ethnic minorities in the visual arts are thin on the ground but a priority would be to help to develop ethnically-orientated small galleries who are often struggling in an economically harsh climate to develop and identify their cultural priorities.

Artists' Income

The available figures on artists' income is extremely sketchy. Figures (for Wandsworth only) published in September 1983 based on an extract from the Gulbenkian Foundation document 'Enquiry into the Economic Situation of the Visual Artist' suggest that the majority of artists are engaged in dual careers and have incomes well below that of comparable professions.

Thus, as Table 2 shows in the age group 25-34 years 72% have dual careers: 35-44 years

83%, 45-53 years 86% and 54-64 years 63%. The majority of these are engaged in some form of teaching the highest number being in adult education. In all 70% of dual career artists are engaged in teaching.

Table 3 shows that dual career artists in the age group 45-54 and 55-64 years (the highest income group) have an average income of £7,669 and £8,364 respectively. This drops considerably for women to £3,911 and £2,532 (1980 prices). For simple career artists in the above age groups (i.e. 14% & 37% of all artists in that group) a small number of men have a higher average income of £9,693 and £4,320. Again for women this drops considerably to £492 and £1,514.

These figures include bursaries and awards which are crucial factors because the average income from sales and commissions in the same groups are £2,403 for men (45 to 54 years) and £1,196 (55 to 64 years) and for women £604 and £1,381 consecutively. The survey on income does not include the 0.6% of artists who earn over £15,000.

Why Visual Arts?

The visual arts are the arts with the least developed theory and practice in Britain. This is partly for social and partly historical reasons. Visual artists are the last group of cultural workers to be unionised; they are the least likely to act collectively; they are often the most isolated of cultural workers; they and their work are most subject to the distortion of a market system. They operate in the most "mystified" area of cultural production, because what has been called "commodity fetishism" seems to affect the visual arts more than any other area. Politicians on the left have tended to dismiss the visual arts as a simple reflection of the notion of the dominant discourse - simply the production for the most part of posh consumer objects of esoteric fashion with no use value, not even in the production of meaning. People tend to 'suspend their disbelief' when confronted with pictures which don't tell a story with which they agree or disagree.

In the visual arts notions of taste become conflated with notions of meaning; left economism meets and agrees with rightist monetarism. Ultimately both these notions develop the idea that art should reflect pure ideologies without problems. So the left tends to reduce everything to the economic base whilst the right does the same and calls it the market system.

Yet one could argue that the visual arts and their practice are a keystone of the 'consciousness industry' surrounded as we are by a basically visual culture. We watch 1,000 images an hour on TV and drive in our styled and designed cars, tube stations, buses, through advertising hoardings, through a



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Table 2. Visual artists: dual and single career profiles by age, employment status and type of employment(1): 1977/80.

	Dual career (artist plus other work)	Single career (artist only)	TOTAL	Number in sample
	percentages			
Age group				
16-24	50	50	100	101
25-34	72	28	100	470
35-44	83	17	100	242
45-54	86	14	100	171
55-64	63	37	100	93
65+	20	80	100	62
Total	71	29	100	1,139
By employment status				
Registered unemployed	22	78	100	92
Retired	2	79	100	62
Other	79	21	100	985
Total	71	29	100	1,139
Main medium of artist				
Painting/drawing	56	63	58	662
Print making/photography	12	9	11	123
Illustration/graphics	4	2	3	37
Weaving/textiles	1	5	2	30
Performance	1	—	1	5
Sculpture	18	11	16	182
Video	1	4	2	21
Other	7	6	7	79
Total	100	100	100	1,139
Estimated sample population (2)	807	332		1,139

Source: Enquiry into the Economic Situation of the Visual Artist, by Jose Parry with A. Brighton and N. Pearson, unpublished manuscript.

- (1) Many artists pursue second careers in addition to their work as fine artists.
 (2) From interviews with artists in Wandsworth, Peterborough, Bristol, South Lakeland, Birmingham, Tyne and Wear, Cardiff and Edinburgh.

designed environment looking at visually designed magazines containing visual adverts. When levels of literacy in school-leavers seem in question, the visual production of meaning seems paramount. The French socialist government currently (1982) spends 0.75% of their total expenditure on the arts, their aim by the end of 1984 is the magic figure of 1%. Our expenditure by contrast is too minute to be quantifiable but you can compare the £100 million the Arts Council spends on the arts with

the £1,000 million we spend on the Falklands alone.

Generally speaking a socialist aim should be to move culture more and more towards the centre stage of our society and any move towards public funding of the arts can only be progress. Over the next few years the privatisation of funding of the arts (including funding by multinationals) should be a central political issue.

...also become a central cultural issue as we see when we look at the increasing involvement of multinationals in arts funding. For example when we look for motivation we look at Mobil whose expressed aim is to use culture to "identify the company with the increasing national self awareness in the less developed nations. Involvement in local arts projects also provides non-political access to nations political and cultural leaders" (*Columbia Journal of World Business*). Increasingly "privatisation" of the arts will, given current government policy, lead to tax concessions which will allow these multinationals increasing prominence in arts funding - such funding will affect the type of culture we will be presented with and will inflect that culture with different values. We are not talking about the implication here of multinational involvement in unsavoury

industries or South Africa. That is a separate issue. What we are looking at here is the production of meaning and the construction of consciousness.

We should clearly acknowledge that although ideology is worked through and contextualises cultural practices, cultural practice cannot be simply the illustration of our ideology. Culture cannot be reduced to ideology. Any move towards public funding of the arts is a progressive one insofar as it moves away from privatised culture: however the aim must be the building into the community of the artist/cultural producer rather than by haphazard grant giving - not least in order that artists develop and oppose the contradictions inherent in any workers position.



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Table 3. Visual artists: average gross incomes and sources of income (1): 1977/80.

	Dual career artists		Single career artists	
	Males	Females	Males	Females
Average gross incomes by age group				
15-24	2,314	1,599	1,927	1,342
25-34	4,265	3,019	2,544	1,648
35-44	6,11	2,850	4,921	223
45-54	7,669	3,911	9,693	492
55-64	8,364	2,532	4,320	1,514
65+	7,648	—	5,341	2,250
Total	5,697	3,041	3,726	1,327

All ages	5,075	2,948
Sources of income by type of income (2)		
Sales and commissions	655	1,755
Aggregates of components of incomes from art practice (3)	783	2,477
Income from work other than as an artist (4)	4,043	90
Any other income	249	325
Spouse's income (where applicable)	2,604	3,846

Source: See Table 2

- (1) Income data is an aggregation of the financial years 1978/79, 1979/80.
- (2) The figures for 'sources of income by type of income' for single career artists exclude the registered unemployed and retired.
- (3) The 'aggregates of components of income from art practice' include income derived from sales or commissions but adds to this such items as bursaries (or other awards), salaried income from the practice of art (other than teaching), including those with income from small art business.
- (4) The most important element in 'income from work other than as an artist' derived from the teaching of art. 70 per cent of dual career artists are engaged in teaching.

Footnotes.

1. The Arts and the People/Labour policy towards the arts/October 1977.
2. The TUC working party report on the Arts/July 1976.



Parminder Vir OBE BLACK & ETHNIC ARTS ARCHIVE
GLC
1981-1986
Working for London
archive.parmindervir.com

Education

Broadly speaking one of the key problems is the narrow parameters of the education which most artists receive; not only is there an ideological discourse on the meaning and location of the visual arts in colleges but it is also presented as an unproblematic discipline based almost entirely on notions of taste and mediated personal feeling. In practice although most colleges would argue that their courses are sites of "freedom" in a "commercial" world even at the most superficial level this is not so. For example, the range of options in most painting departments, because of the way the market system operates through a handful of private galleries, tends to direct painters to the production of easel pictures. This is reinforced by the Arts Council's liberal interpretation of taste, talent and genius and mediated by magazines. It effectively narrows the range of the visual arts.

A separate but related level although the ratio of male to female students at point of entry to colleges is (on the latest available figures) about equal, the ratio of female to male staff is grossly unbalanced - this is particularly noticeable in Fine Art departments. A questionnaire conducted by *Feminist Art News*, admittedly as a very small sample of 12 courses, discovered that the numbers of full-time staff were 69 males and six females, for part-time staff the ratio was 48 males and 19 females. This sample covered foundation, BA design and fine art courses and post graduate studies.

The GLC is conducting a survey through the LEA inspectorate into race, gender and social background of staff and students and this we believe is urgently needed. The question of race is a persistent problem where a student member of an ethnic minority group has to make decisions about whether his or her paintings/sculptures are paying lip service to the spurious internationalism of many art education establishments. This in turn marginalises a student's attempts to develop a view from his or her own cultural premises. Developments around the idea of galleries based on ethnicity should be encouraged as an aspect of an arts policy despite the fact that it seems to reinforce the focus towards a gallery practice.

Having made the above points it has to be said that the visual arts are the most accessible in terms of the ability of individuals to gain entry to courses in a culture otherwise dominated by literacy and numeracy. The visual arts draw a high participation in evening classes and provide access to higher education because

Many people feel inhibited in traditional galleries, a problem which will not be helped by the proposed levying of entrance fees. There are other settings for art works. (Photo: Mike Abrahams/Network).

the physical manipulation of material is closely related to a continuing development of meaning. Similarly, the art colleges in the 50s and 60s provided access to further education for many working class students before the requirements for academic qualifications in the form of GCEs effectively closed this avenue for working class students to gain BA status.

Percentage For Arts Scheme

If one piece of legislation were to be singled out for implementation which would transform the production and consumption of the visual arts in London it would be the introduction of a "percentage for art" scheme. Such a scheme, whereby at least 1% of the cost of all new buildings, refurbishment schemes, parks and road projects would be spent on an art component is currently under discussion but no feasibility study has yet been produced. Many countries and many metropolitan authorities have a percentage scheme of some kind and perhaps an appropriate model is the one used by Seattle (USA) whereby the percentage is paid into a central fund which is advised by workers in the arts in conjunction with community representatives. Norway, the Netherlands, Italy, Finland and Canada also have with varying degrees of success some form of percentage for art schemes.

Such a scheme would operate at many levels with the emphasis on maintaining a flexibility of outlook and approach which in turn fosters a dialogue between community, practitioners and the local authority. Great care must be taken that it does not become a simple clearing house for large lumps of civic sculpture or artists dutifully plonked down in communities or the "bit" of added art. The artist must be as closely integrated with the scheme as is practically possible and proper processes of consultation have to be observed as far as is possible without interminable bureaucracies and committees.

A "percentage-for-art scheme" was recommended at a national level by the Labour Party document of 1977 and by the recent Select Committee's report "Public and Private Funding Of Our Arts". Recommendation 57 of this report reads as follows:

"Business companies, local authorities and government departments should devote up to 1% of new buildings budgets to purchase works of art by contemporary artists."

The proposal being suggested for discussion is a wider one both in terms of schemes for which the 1% is eligible and the range of artistic forms from which to draw. Paintings and prints could also be bought through this scheme for offices, multiple use buildings etc. as long as a workable purchase and commission and consultation process can be evolved.



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Register of Artists

Any percentage for art scheme would have to move towards registering artists (as suggested by the Labour Party Document on the Arts). This could also greatly reinforce current attempts to encourage visual artists to form a union or coalition in order to provide a basic economic as well as political polemic and encourage a solidly grounded debate which one feels a great lack of in the visual arts today. The lack of a collective voice on the politics of culture is perhaps the most disorienting aspect of tackling the visual arts. If we compare the French situation with its foregrounding of visual culture in organisation based on solid economics (albeit market systems) or the Dutch artist union with its ability to make economic demands collectively, we realise the paper thin base on which Britain's visual artists work. A register of London artists would assist accreditation based on professional qualifications and/or experience and be a first move to validation of artists as an employment category and a recognised "social" entity.

Artists' Rights

English law ignores artists' moral rights, intellectual property rights, and "personality rights". Such rights are exercised in favour of artists in other European countries. They have emerged from ideals developed during the French Revolution and have been protected consistently. On occasion they have also been strengthened to provide an oppositional safeguard to the inroads of capitalism placing culture and cultural workers in a more central position in European ideology.

The question of moral rights for artists has non-economic aspects in its protection of the integrity of an artwork. This could for example ensure that the owner of a wall could not demolish it if there was a mural painted on that wall if the artist, or the community for whom the mural was painted, objected. This would have made a difference with the Morgan Crucible and the Battersea Mural affair in which a mural critical of the local authority was destroyed. Similarly the destruction of the Sutherland portrait of Winston Churchill would be covered under this.

Legislation would have to be incorporated into the Copyright Act which is currently under review but does not deal with many current 'technologies of culture'. For example in terms of video there is no clear idea whether the operators, the community, the grant giving body or the donor of equipment is responsible. Clearly the possibilities of censorship by any one of these participants is apparent.

The concept of copyright therefore should be defined more in terms of granting of rights by the creator in order to ensure the integrity of the work in the hands of others rather than as is

currently the case a simple protection of the physical ownership of an artwork.

The Berne Convention (1971) is not ratified in Britain but if it were then two important rights would become law. Firstly, the right to claim authorship of a work (any creative work) and secondly the right to object to any distortion or modification of the work if this would prejudice the artist's integrity or reputation (sometimes called the right of 'integrity'). These rights do not favour the owner of an art object over and above the creator of the work. These rights are collectively known as 'personality' because they effectively set the 'individual's' life, work, and beliefs above the marketable value of objects produced. One convention indicates such rights to be inalienable - they cannot therefore be taken away from the artist. An EC document declares:

"In most member states producers and editors presently have free access to works on which royalties no longer have to be paid to authors or their heirs. In future the EEC Commission would like royalty to be paid to Societies of authors who would use the cash to boost the welfare payments on arts sponsorship."

Concrete social and tax measures are also needed, the European Commission wants a freelance cultural workers to be covered by decent social security payments. At the same time the Commission is trying to encourage member states to make special tax arrangements which would take the irregularity of artists' earnings into account. A further EC proposal suggests that when objects of national cultural importance are sold and which because of the lapse of time have entered into the "public domain" (and are therefore beyond copyright provision) then the proceeds from sale should go into a central fund for artists.

The need to maintain moral rights as opposed to property rights is clearly at the heart of matters such as the appropriation of the cultural heritage of other countries, the best known example being the Elgin Marbles.

The English legal system with its emphasis on property rights also excludes the cultural producer from sharing in the financial profit of the work or its resale. This concept of "residual rights" has existed in France since 1920 when the artist receives a percentage of the profit from succeeding sales of work after the joint sale. A similar situation exists with reproduction rights. Clearly these are considerations which they should bear in mind when purchasing works of art and when initiating such schemes as picture loan schemes. Tower Hamlets Picture Loan Scheme for example recognises this concept of resale rights and puts it into practice. We should encourage boroughs with matching funds to set up picture loan schemes using the Tower Hamlets Scheme as a successful model.

Although it may be argued that these are national matters for national governments, placing them on the agenda at a metropolitan level is essential.

level does two things. Firstly it links the economic plight of artists with the status of culture thereby enabling us to explore and elucidate the relationship which is operating. Secondly, it shows that local authorities can make a start and begin to implement some of the simpler mechanisms. The example of resale rights cited in relation to Tower Hamlets is one instance of this.

Distribution

Showing the work of living artists is obviously crucial to the future of the visual arts in this country. Although there are a wide range of possibilities, existing facilities and resources are greatly under-used. For instance, there are a number of exhibitions by artists and groups of artists which are shown perhaps in a library or local gallery and are then dismantled. There is a tendency to assume that when an exhibition has been held in London it has 'happened' in London and should not be shown in London or elsewhere again. This of course is a fallacy, an infrastructure of galleries and exhibiting spaces already exists in libraries, schools, colleges as well as municipal galleries and, of course, in the untapped sources of workers clubs, canteens, factories, offices, etc. There is a pressing need for a central co-ordination of exhibitions - a circulating exhibitions unit with the capacity to handle all types of exhibitions and where necessary act as a clearing house, to make better use of existing venues as well as to develop other spaces for distribution and to explore the possibilities of showing work in types of spaces which haven't hitherto been considered 'gallery' space. Clearly there are considerable security/transport problems involved once one moves out of the conventional gallery spaces and these also need thorough investigation to ensure that artists are not exploited.

Such metropolitan co-ordination of the efforts of individual boroughs opens up many possibilities. For example Tower Hamlets Touring exhibition circuit is a pilot scheme to show exhibitions in non-gallery venues and could certainly be used as a blueprint for similar projects across the boroughs.

In terms of a competition like 'The Spirit of London', painting competition and the 'Photography Competition' their use for professional artists is highly dubious. Within many such competitions and exhibitions, entrance fees (not applicable to the Spirit of London this year) transport, cost of materials and outlay of energy is high in relation to the chance of selling work. Changes in the Selection Committee recently inaugurated to give a better ethnic, gender balance in the Spirit of London competition have opened up some possibilities. However, proper commissioning, placement of work and clearer policies are infinitely preferable. The issue of subject matter and the way GLC exhibitions are run needs to

be thoroughly reorganised and brought into a more up-to-date perspective.

Use of Advertising Sites

In terms of exhibiting work outside of this gallery circuit much more use could be made of street, bus, and underground advertising space. The stumbling block is that current allocation of such space in, for example, London Transport is done on economic grounds, the space going to the highest bidder. In the same way potential advertising sites on GLC spare land or land awaiting development are put out for tender. The price of the rights can vary from £208 p.a. for locations in Tower Hamlets to £6,000 p.a. for more favoured positions. The responsibility for the secure erection and maintenance of a hoarding rests with the company hiring that space. At present the GLC exercises no control as to what is put on the hoarding.

The GLC should investigate ways in which a certain proportion of advertising space could be set aside for social reasons - either for specific proposals by artists or for use in collaboration with the local authority. Furthermore, a levy on all advertising in the capital could bring in revenue with which to fund artists and thus in some measure help to intervene in the barrage of consumer-orientated visual images. Undoubtedly the intervention into this monolith could have benefits disproportionate to the amount of effort put in.

Future Employment Opportunities

In terms of direct employment of artists there is much work to be done. Whether an artist is painting a mural in collaboration with a local tenants group, producing a set of posters for a campaign: photographically documenting a project, working in an educational establishment as an artist, or organising a gallery exhibition the vast majority of contractual arrangements are for one year only. Whilst in all of these we should ensure that proper rates for the work undertaken are paid, including where appropriate payment for exhibiting, the general principle must be to build into institutions the cultural dimension in the form of cultural workers..

There are a number of established precedents for building this commitment into the community within the visual arts. We have artists in schools, residencies at galleries and centres e.g. Oxford House and the Cockpit Gallery, and to an extent collectives like the Greenwich Mural Workshop and the Poster Collective. An area which has yet to be explored from a radical perspective is the placement of artists in London industries.



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TUC document (2) and others have made the point that simply to place an artist in a factory at management level as if management were the factory merely promotes another cultural personnel manager in which colour schemes are suggested and murals painted which encourage the workers to work harder. This is not necessarily so and the development of a properly constituted series of artist placements in industry could well serve as a focus around which to make labour aware of its history, aspirations, possibilities and its contradictions. With proper union consultation artists could be placed in certain industries with a minimum two year series of residencies. This could well stimulate an awareness of the rich cultural visual traditions of labour which have been so completely shattered that there seems to be a cultural abyss between Shelley, and subsequently William Morris and Walter Crane, and the present day. The GLC should identify several key industries in which to place artists for a minimum of two years. A project officer should be employed to help workers/groups to formulate projects as well as to investigate possible industrial placements of artists.

Visual Arts in the Trade Union and labour movements

Most parts of the labour movement - whether the Trade Unions, the Labour Party or other groupings perform ludicrous ideological somersaults in their attitude towards the visual arts. On the one hand they see Saatchi and Saatchi presenting an impeccable series of innuendoes against the Labour Party and canvassing support for the Tory Party. And so they themselves commission professional advertising agencies to formulate their marketable image (usually they use cheaper agencies for a confused mixture of moral and financial reasons). On the other hand they will with just as much ease, find someone in the organisation who once did a term's evening classes at an art school to design their material.

The results speak for themselves; a huge blowup of Jim Callaghan's face is opposed to the slickly designed 'Labour is not working campaign'; or they run national campaigns where the material looks like notices for a local jumble sale.

The fact that there are possibly 10,000 professionally trained artists working in the capital, many of whom are committed to the ideals of the labour movement, but utterly and sometimes positively discouraged by their attempts to work with the labour movement is a disgrace. Clearly the alternative to the amateurishness of the labour movement's visual presentation is not the adoption of professional capitalist marketing techniques which dictate a contradictory image as well as inflecting the policies and 'face' of socialism.

There was a time when for 'New Unionism' the visual was as important as the verbal, when trade union banners, labour movement certificates in brilliant colours using latest technologies were real alternatives to 'the stag at bay' image of old. A central cultural polemic of ideals sustained and confirmed people's ideas of 'progress', even though their economic position was parlous. If, as a recent survey shows, less than 50% of the unemployed voted Labour in the 1983 general election then it cannot be simply for economic reasons (i.e. better jobs, housing, transport, health etc.). It can only be because that climate of ideas, which was the bedrock of 'progress', has been utterly eroded by a massive oversimplification which boiled down says let's get the jobs going, the health, housing, anti-nuclear policy and then when all that's working we can then add some art as a bonus.

Opportunities for artist placements within the trade unions should be explored alongside this. We should also encourage the London branches of all trade unions to commission new banners from artists by agreeing to pay 50% of the costs of such a commission and making sure that a proper procedure for a representative selection committee is followed.

Visual Artists in the Community

An area in which much benefit would be derived is in the placement of artists in working class districts; for example, attached to tenants associations, community projects, community centres, hospitals, health centres.

The placement of artists in unemployment centres should be a priority and this could well be combined with an inter-borough initiative - perhaps one artist covering three or four unemployment centres. There should of course be a fairly tightly controlled brief and emphasis should be placed on the artist's willingness to develop a dialogue with the centres and the area they serve.

On the placement of artists in schools, a good deal of work has been pioneered by GLAA and the Whitechapel Art Gallery. Closer links and direct financial and logistic support by ILEA for artists in schools should be explored. The placement of artists in schools can work on many levels to expand the experience of both pupils and parents through consultation and liaison with the Parents Teachers Associations. However, mystified notions of how 'artists work' is not the central philosophical underpinning of the advantages of placement in schools. Rather its advantages are that artists are not bound by curricula as teachers are and as such can form a powerful focus through which one can intervene in state structured learning processes. Again emphasis must be placed on the need for such placements to be properly conceived and prepared for. To plunk artists into communities in order either to 'decorate' or

'mind blow' is as ludicrous a notion as to drop a piece of civic sculpture ('modern' or 'traditional') by a helicopter into the centre of Brixton, Southwark or Hackney.

In consideration of the roles of these placements there can be no clear rules. 'Social function' is simply the mirror image of aesthetic sectionalism 'art for arts sake'.

Means of employment of artists in semi-permanent residencies the position of the visual arts in most London Art Centres is equivocal in many, and non-existent in others. A series of visits to residencies in Arts Centres could well be one of the ways in which to further the visual arts in the community; certainly this would stimulate the many smaller exhibitions and workshops which might not necessarily be served by any longer term aim of having proper gallery space, properly funded and administered in all Arts Centres.

Visual Arts-Education and Awareness

We differ from the French in our provision of advice and influence on art education in schools. Historically the French academy has had influence on the curriculum and the use of the visual arts in education - although this has in a sense declined and we could criticize the way in which the state used the Academie des Beaux Arts in terms of cultural power. It nevertheless constituted a powerful acknowledgement of the importance of the visual culture. In this country we have basically two institutions which could have such influence - one is a self perpetuating oligarchy, the Royal Academy, who up until recently attempted a noble experiment in liberal visual arts education by having an art school which was unique in not requiring students to pay fees. The other is the Arts Council which, by the admission of its own working party on Exhibitions Provision in England, states its failure to tackle this problem: "The extent to which audiences for all visual arts can be expanded is a subject on which strong and conflicting views are held. It does seem to us that any increase in audience is going to depend not only on an increased emphasis on visual education in schools, with which the Arts Council has regrettably not concerned itself; but also on a greatly increased emphasis on communication with the public by those responsible for exhibitions."

The GLC could very economically intervene in this area. The simplest method would be to fund for one year an education officer attached to the borough art galleries in liaison with the boroughs on the understanding that the boroughs take up the funding as a substantial part of their next year's funding and then completely fund the post by the third year.

The GLC partly funds one model of this type of appointment in the South London Art Gallery. A

small number of galleries would be involved and this could affect the following:

Greenwich (Woodlands Art Gallery)
Camden (Camden Arts Centre)
Hounslow (Gunnersbury Museum and Art Gallery)
Kingston (Kingston Museum and Art Gallery)
Southwark (South London Art Gallery)
Hammersmith (Riverside/and/or 181 Centre)
Haringey (Wood Green Library)
Richmond (Orleans House Gallery and Museum)

Finally much greater use could be made of living artists in GLC owned historical buildings e.g. Kenwood/Marble Hill/Rangers House both to consistently show the work of contemporary artists possibly through exhibitions or possibly through the use of artists in residence schemes.

Working Class Visual Arts Centre

An administration such as the GLC can not ignore that the gaping hole in the fabric of cultural life in the metropolitan authority, is any adequate centre for the preservation, study, education, documentation and utilisation of both the historical and contemporary visual representations of both the working classes and the labour movement. In other parts of the country there are family album projects, photographic archives combining oral and visual memories, domestic, national, political, ideological and cultural. There are museums which catalogue aspects of various industries, there are trades councils, trades unions, even industries which have preserved (in many cases as anthropological and academic exercises) bits and pieces of the history of workers and the working classes all in fragments all over the country, in many cases in contexts which romanticise, mystify and treat them as objects and documents of bourgeois acquisition.

That there is no proper centre for this on a large scale is a major omission.

Serious consideration should be given to developing and constructing in the vicinity of the Hayward Gallery a properly constituted working class and labour movement visual arts centre, which could function on the lines of the above suggestions as a historical resource; a centre for education; an exhibition centre with facilities for film and video; a photographic archive. As well as involving the radical history movement it should involve living artists who would work to create exhibitions on living issues. Such a centre would be an essential component of a visual cultural policy for London.



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Housing and Workspace for Visual Artists

Artists have the same problems as any other person when looking for a home in the capital. They also have the added complication of invariably needing extra space within which they can work. To both of these needs there is no simple solution. A number of ways have been tried ranging from agencies negotiating short term properties and renting them out to artists as studio space through to housing associations and housing co-operatives. In many cases artists have been used as the intermediate phase between the removal of the working classes or industry from an area and the subsequent re-development and gentrification of an area. St Katherines Dock is a prime example of this and other examples could be cited both in this country as well as in the USA (in the Soho area and New York for example).

Artists in the metropolitan area fall through the net of most housing associations, co-ops and local authority housing. Many collective or group projects currently funded by the GLC are dependent on space being available to enable the establishment and rooting of projects. An essential need here is therefore for projects to develop long term links and a proper relationship to the geographical area within which they fall. For example the Greenwich Mural Project began from a flat in a housing estate in Greenwich whilst the Docklands Community Poster project began from short life housing in that area.

Currently there are only two organisations handling studio space in London. Space studios have approximately 500 artists in new studios and ACME, which have both housing and studio space, have approximately 400.

To tackle such problems there needs to be a number of strategies based around a combined housing/studio space policy where a small amount of space is needed for work

Photography is now one of the most popular forms of visual arts. Here members of the Blackfriars Youth Photography Project learn new skills. (Photo: Blackfriars Photography Project).

and where separate studio accommodation is not economically viable. Where housing is available provision should be made for one or two extra rooms above the normal requirements. This might be particularly relevant for women artists who can only work from home for reasons of childcare and/or low income (as reflected in the Gulbenkian Report).

The GLC should also allow short life properties to be used for part studio part living accommodation. Any mechanism handling this would ensure that a certain proportion of property handed over by the GLC to major housing associations be allocated to artists who otherwise meet all the other usual criteria of that housing association.

Temporary accommodation is not a desirable situation for any group - it should not be assumed that all artists are young and single. Short life property is not suitable for most artists with children or those who have put down roots in an area. A certain proportion of long term accommodation should be set aside for artists and negotiations with other housing agencies should be opened to make this kind of provision available.

The Labour Party document suggests placement of artists in Council estates and this should clearly be done in liaison with the tenants association. Similarly the GLC should investigate ways of funding studio space, rate relief, and other ways of making working space available to artists.

The suggestion by Tony Banks (former chair of GLC Arts and Recreation Committee) that unused property (i.e. GLC owned industrial property) should be converted into studio/workshop space for artists' groups to be run on a co-operative basis should be fully explored.

Finally it has to be reiterated that there is no substantially researched document/statistics in the area of cultural production and this document produced over a very short period cannot attempt to overcome this problem. However the areas the document covers are crucial areas for investigation.

There have been many changes both in the practice and theory of practising visual artists during the 70s and 80s but the problems artists face are the problems all workers face and high on that list is unemployment. This is a fundamental problem and to keep a vast pool of qualified unemployed artists in London at a time when we need visual meanings produced in our society in opposition to the blizzard of images which oppress us from the advertising industry makes no sense.

Summary of Recommendations

1 A researcher into the visual arts should be employed to produce and co-ordinate a comprehensive document on the visual arts in London covering both the conditions of workers in the visual arts as well as the accessibility and structuring of the consumption of the visual arts as well as investigating the changing (and dwindling) face of art education.

2 Ethnically oriented and run galleries should be encouraged.

3 A system of artists' fees for showing work in GLC funded venues should be introduced.

4 A survey by ILEA on the race, gender and social background of staff and students should be conducted as a matter of urgency.

5 The 'percentage for art scheme' should be researched and implemented now that the GLC has been unfrozen.

6 A register of London artists should be compiled.

7 There should be recognition of moral rights for artists and re-sale rights together with support for the concept of 'public domain'.

8 An exhibitions unit should be set up to co-ordinate and circulate exhibition throughout London. It should also seek to develop relationships and initiate projects not normally considered as 'gallery' spaces.

9 A percentage of advertising spaces on meetings, public transport and other spaces should be set aside for use by artists. A levy on advertising on hoardings on GLC land should be implemented and placed in a central fund to finance artists' works on the above spaces.

10 A series of placements of artists in London workplaces should be implemented and an

officer appointed to co-ordinate and initiate workplace projects and placements.

11 The trades unions, trades councils and voluntary sector organisations should be encouraged to commission banners and posters and the GLC should provide matching funds for this.

12 A series of artists' residencies in schools, hospitals, employment centres should be developed.

13 The London Arts Centre should be encouraged to take more seriously their attitudes to the visual arts and encouraged to initiate artists in residence schemes.

14 An education officer should be attached to all borough art galleries to implement outreach programmes.

15 A purchase committee should be set up in the GLC to examine current purchase and commissioning policies throughout the GLC and a proper catalogue of the current collection and its whereabouts should be compiled.

16 The GLC should intervene with the Arts Council to establish a properly formulated management structure for the Hayward Gallery.

17 A centre for contemporary visual history should be developed either within a purpose built structure in the vicinity of the Hayward Gallery or in some suitable central building.

18 A policy for housing/studio space for artists should be implemented.

The following groups and individuals contributed to this report:

Greenwich Mural Workshop
 London Docklands Community Poster Project
 GLAA
 Public Art Development Trust
 Arts Council of Great Britain
 Gulbenkian Foundation
 Whitechapel Art Gallery
 Photography Workshop
 ILEA Inspectorate of Art and Design
 Visual Artists Rights Society
 International Association of Art
 London Borough of Hammersmith
 London Borough of Tower Hamlets
 David Logan
 Alan Tomkins
 David Page
 CNAA
 ACME Housing Association
 SPACE studios
 Committee of Directors of Polytechnics
 Arts Review
 Feminist Art News
 Hans Haacke
 Womens Slide Library
 Ethnic Arts Panel GLC
 National Graphical Association
 Artists Union



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CHAPTER 9

CULTURAL INDUSTRIES, CONSUMPTION and POLICY

Chapter 9

CULTURAL INDUSTRIES, CONSUMPTION and POLICY

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A further crucial component of this ideology is the special and central status attributed to the 'creative artist' whose aspirations and values, seen as stemming from some unfathomable and unquestionable source of genius, inspiration or talent, are the source of cultural value. The result of placing artists at the centre of the cultural universe has not been to shower them with gold, for artistic poverty is itself an ideologically potent element in this view of culture, but to define the policy problem as one of finding audiences for their work rather than vice versa. When audiences cannot be found, at least at a price and in a quantity which will support the creative activity, the market is blamed and the gap is filled by subsidy.

It is important to note that most of those who have challenged from the left this dominant view of culture as elitist, have themselves tacitly, if not explicitly, accepted the remaining assumptions of the tradition they were rejecting. Indeed this in part accounts for their limited success in shifting the terms of the policy debate and the effortless ease with which they have been incorporated.

One result of this cultural policy-making tradition has been to marginalize public intervention in the cultural sphere and to make it purely reactive to processes which it cannot grasp nor attempt to control. For while this tradition has been rejecting the market most people's cultural needs and aspirations are being, for better or worse, supplied by the market as goods and services. If one turns one's back on an analysis of that dominant cultural process, one cannot understand either the culture of our time or the challenges and opportunities which that dominant culture offers to public policy-makers.

We can get some idea of the relative orders of magnitude between public sector expenditure on cultural activity and private, market expenditure if we compare the £673.8 million of public expenditure on libraries, museums and galleries and other cultural activities in 1981/82 (see Table 1) with £15,538 million of 1982 consumer expenditure on recreation, entertainment and education (see Table 2) and with the total media advertising expenditure in 1982 of £3,126 million (see Table 3).

The Cultural Industries

To mobilize the concept of the Cultural Industries as central to an analysis of cultural activity and of public cultural policy is to take a stand against a whole tradition of idealist cultural analysis. This tradition, well-delineated in the British form, for instance, by Raymond Williams in *Culture and Society*, defines culture as a realm separate from, and often actively opposed to, the realm of material production and of economic activity.

This is important because in general, public cultural policies have evolved from within that tradition. Public intervention, in the form of subsidy, is justified on the grounds that culture:

- possesses inherent values, of life enhancement or whatever, which are fundamentally opposed to and in danger of damage by commercial forces;
- that the need for these values is universal, uncontaminated by questions of class, gender and ethnic origin;
- that the market cannot satisfy this need.

Table 1: Public Cultural Expenditure: UK 1981-2: £ million

	Central Government	Local authorities	TOTAL
Libraries	39.1	320.5	359.6
Museums & galleries	76.3	60.7	137.0
Other cultural facilities	97.6	79.6	177.2
TOTAL arts & recreation	213.0	460.8	673.8

Note: The high proportion devoted to libraries, particularly as a proportion of local authority expenditure. It is worth noting that Greater London spends nearly five times as much per head of the population on cultural facilities other than Museums and Galleries as any other region in Britain. Of this figure of £496 per head in 1982-3 £336m was spent by the boroughs and £133m by the GLC.





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An analysis of culture structured around the concept of the Cultural Industries on the other hand directs our attention precisely at the dominant private market sector. It sees culture, defined as the production and circulation of symbolic meaning, as a material process of production and exchange, part of and in significant ways determined by the wider economic processes of society with it shares many common features.

Thus, as a descriptive term, Cultural Industries refers to those institutions in our society which employ the characteristic modes of production and organisation of industrial corporations to produce and disseminate symbols in the form of cultural goods and services, generally, although not exclusively, as commodities. That is to say newspapers, periodical and book publishing companies, record companies, music publishers, commercial sports organisations etc. In all these cultural processes we characteristically find at some point use of capital intensive, technological means of mass-production and/or distribution, highly developed divisions of labour, hierarchical modes of managerial organisation with the goal, if not of profit maximization, at least of efficiency. I refer to this as a descriptive use of the term Cultural Industries because it describes characteristics common to the cultural process in all industrial societies, whether capitalist or socialist. Within the descriptive useage we need to note a further distinction made by Adorno, who originally coined the term, between those Cultural Industries which employ industrial technology and modes of organisation to distribute cultural goods or services which are themselves produced by largely traditional or pre-industrial means (e.g. books and records) and those

where the cultural form itself is industrial (e.g. newspapers of films and TV programmes). We need to hang on to this distinction because the two forms tend to produce different relations of production and types of economic organisation.

But the term Cultural Industries can also be used analytically to focus upon the effects on the cultural process within the capitalist mode of production of cultural goods and services produced and distributed as commodities by labour which in itself is a commodity.

In this regard the first point to stress is that the Cultural Sector operates as an integrated economic whole because industries and companies within it compete:

- for a limited pool of disposable consumer income;
- for a limited pool of advertising revenue;
- for a limited amount of consumption time;
- for skilled labour.

Consumer expenditure

Consumer expenditure on cultural goods and services has been rising slowly as a proportion of total expenditure as with rising prosperity consumption of basic essentials, such as food and clothing, reach saturation point. However this movement has been within limits and studies have shown this expenditure to be inelastic not only in general, but in the sense that, for individuals and families, expenditure does not rise in line with rising income. This is

Table 2: Consumer Expenditure 1982: £ million

Consumer Expenditure 1982	£ million	At 1980 prices		£ million
		1980	1981	1982
Recreation, entertainment and education:				
Radio, TV, and other durable goods	2,161	1,567	1,798	2,200
TV and video hire charges, licence fees and repairs	1,997	1,571	1,640	1,758
Sports goods, toys, games and camping equipment	1,304	1,211	1,153	1,163
Other recreational goods	2,700	2,288	2,328	2,504
Betting and gaming	1,832	1,572	1,496	1,462
Other recreational and entertainment services	1,608	1,396	1,294	1,198
Books, newspapers and magazines	2,396	1,856	1,805	1,729
Education	1,540	1,092	1,145	1,185
	15,538	12,553	12,709	13,200

Source: National Income and Expenditure

Note: This illustrates both the dramatic rise in the expenditure on domestic hardware and the high proportion that the buying, renting and servicing of such hardware together with TV licence payments occupies in total consumer leisure expenditure, approximately 25%. These figures illustrate the trend for cultural consumption to withdraw into the home via a range of technological delivery systems focussed especially around the TV. This of course parallels TV viewing figures as a percentage of cultural consumption time.

Table 3. Consumer expenditure in GLC areas as compared at UK: 1981

	GLC	UK
Average weekly household expenditure		
TV, radio musical instruments and cine repair	2.87	1.82
Books, magazines, newspapers and periodicals	2.13	2.01
Cinema	0.31	0.14
Theatres, sporting events and other entertainment	1.19	1.05
TV licence and rental	1.20	1.44



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Note: There is higher spending on all categories except TV licence and rental which is reflected in the marginally lower percentages of households with TV. 95.1% in GLC compared with 96.7% for UK in 1980/81. The higher levels of cultural expenditure in London in turn reflect higher average levels of household income, £193.47 for GLC as opposed to £167.60 for UK.

Table 4. Total Advertising Expenditure and its Relation to Consumers' Expenditure and Gross National Product

Year	Total expenditure in 1975 prices ¹ (M£)	Total expenditure in current prices (M£)	Total expenditure as a percentage of	
			Consumers' expenditure ²	Gross national product ²
1952	NA	123	1.15	0.89
1956	NA	197	1.43	1.08
1960	NA	323	1.91	1.43
1961	897	338	1.90	1.40
1962	885	348	1.84	1.38
1963	925	371	1.84	1.38
1964	1005	416	1.94	1.42
1965	1002	435	1.90	1.39
1966	991	447	1.84	1.35
1967	976	451	1.77	1.29
1968	1039	503	1.83	1.34
1969	1067	544	1.86	1.37
1970	1022	554	1.74	1.27
1971	997	591	1.66	1.20
1972	1113	708	1.76	1.28
1973	1259	874	1.91	1.36
1974	1118	900	1.72	1.21
1975	967	967	1.50	1.03
1976	1020	1188	1.59	1.07
1977	1110	1499	1.75	1.19
1978	1254	1834	1.86	1.27
1979	1285	2131	1.82	1.27
1980	1306	2555	1.88	1.30
1981	1287	2818	1.85	1.31
1982	1315	3126	1.87	1.33
1983	1440	3579	1.96	1.39

NA = Not Available

¹ Figures in this column are obtained by deflating the current price figures by the retail price index.

² Due to revisions made by the Central Statistical Office to GNP and consumers' expenditure data – often going back many years – the ratios given in this table may differ slightly from ratios given in previous years.



probably linked to the question of limited consumption time.

Advertising expenditure

Table 4 shows the close relationship between total advertising expenditure and both consumer expenditure and GNP. Since 1982 it has varied between 1.9% and 1.15% of consumer expenditure and between 1.43% and 0.89% of GNP. Moreover in real terms total advertising expenditure has remained remarkably stable growing over the last 20 years by only £431 million and remaining virtually static from 1964–1976. Against a background of a high level of advertising in the UK in relation to GNP compared with other European economies the limits of the advertising revenue pool are plain.

Consumption Time

Cultural consumption is confined for most people to a so-called free time the extent of which is limited by the material necessities of work and sleep. If we assume a working week including travel of 45 hours and sleep time of 48 hours per week, that leaves 75 hours per week in which all other activities have to be fitted. Twenty hours per week of time on average are taken up by TV viewing.

Cultural consumption is particularly time-consuming in the sense that the most common and popular form of culture, namely narrative and its musical equivalent, are based upon manipulation of time itself and thus they offer deep resistances to attempts to raise the productivity of consumption time.

This scarcity of consumption time explains:

- the acute competition for audiences in the cultural sector;
- the tendency to concentrate cultural consumption in the home thus cutting out travel time;
- as recent Swedish studies have shown a sharp rise in the unit cost of each minute of consumption time, in particular as investment on domestic hardware rises while the time for using such hardware does not. Thus in Sweden between 1970 and 1979 time spent listening to music rose 20% while the cost rose 86% with each hour of listening costing 55% more.

The Labour Market

The various cultural industries compete in the same market for labour. Individual film-makers, writers, musicians or electricians may move in their work from film, to TV, to live theatre. The electronic engineer may work in manufacturing or broadcasting. The journalist may work in newspapers, periodicals, radio or TV.

This unified labour market is reflected in trade union organisations. ACTT organises across film, TV and radio. The NUJ across newspapers, books, magazines, radio and TV. The Musicians' Union members work in film, radio, TV and records as well as live performance and so on.

As a result of these levels of integration within the Cultural Sector a shift in one place affects the structure of the whole sector. The introduction of a new TV channel, such as Channel 4, restructures the broadcasting, film and advertising market in specific ways. Even more, of course, will this be the case with Cable and Satellite services. The introduction of a new colour supplement has repercussions upon the finances of other publications, but may well also have cross-effects on broadcasting revenue. The same holds true for public intervention. One needs to be aware that one may be playing a zero-sum game and that all options are not simultaneously open.

A classic example of this inter-action and of the ways in which the dynamics of the private sector impact in the public sector is the relation between ITV and BBC. Because ITV holds a monopoly of TV advertising and because there has in general been a high demand for this commodity, extra broadcasting hours mean, for ITV, extra revenue, more efficient utilisation of plant and thus higher profit. Thus there has been steady pressure from ITV, in common with commercial broadcasting systems throughout the world, to expand the hours of broadcasting, pressure which has been successful. For the BBC on the other hand expansion of hours leads to increases in costs with no increase in revenue. They have however been forced to respond to ITV because of the need to compete for audiences, thus increasing the pressure to spend more public money on broadcasting if the balance between public and private sector was to be maintained.

The structure and dynamics of the Cultural Industries

The particular economic nature of the Cultural Industries can be explained in terms of the general tendencies of commodity production within the capitalist mode of production as modified by the special characteristics of the cultural commodity. Thus we find competition driving the search for profits via increased productivity but it takes specific forms.

There is a contradiction at the heart of the cultural commodity. On the one hand there is a very marked drive towards expanding market share or the form this takes in the cultural sector, audiences. This is explained by the fact that in general, because one of the use-values of culture is novelty or difference, there is a constant need to create new products which are all in a sense prototypes. That is to say the cultural commodity resists being frozen in time.

Romford brings a little *culture to Fridays.* (As little as possible).



Advertising is now an unavoidable part of our visual culture, often stimulating 'choice' where hardly any actually exists. (Photo: David Hoffman).

process which is one of the material results of the abstract equivalence of exchange to which the commodity form aspires. This drive for novelty within cultural production means that in general the costs of reproduction are marginal in relation to the costs of production (the cost of each record pressing is infinitesimal compared to the cost of recording for instance). Thus the marginal returns from each extra sale tend to grow, leading in turn to a powerful thrust towards audience maximisation as the preferred profit maximization strategy.

On the other hand the cultural commodity is not destroyed in the process of consumption. My reading of a book or watching of a film does not make it any less available to you. Moreover the products of the past live on and can be relatively easily and cheaply reproduced anew. Thus it has been difficult to establish the scarcity on which price is based. Thus cultural goods (and some services, such as broadcasting, for technical reasons) tend towards the condition of a public good. Indeed one can observe a marked tendency where they are not *de jure* so treated for consumers to so treat them *de facto* through high levels of piracy, as is now the case with records, video-cassettes and books. (It should be noted that this in its turn relates to another contradiction in the cultural sphere, on which I will comment shortly, between the producers of cultural

hardware and software. It is the development of a market in cheap reproduction technology that makes piracy so difficult to control). Thus in contradiction to the drive to maximize audiences, at the same time a number of strategies have had to be developed to limit artificially access in order to create scarcity.

The drive to audience maximization leads to the observed tendency towards a high level of concentration, internationalisation and cross-media ownership in the Cultural Industries.

The strategies to limit access have taken a variety of forms:

- Monopoly or oligopolistic controls over distribution channels sometimes, as in broadcasting, linked to the State. One often finds here a close relationship between commercial interests and those of state control.
- An attempt to concentrate the accumulation process on the provision of cultural hardware e.g. radio and TV receivers, Hi-Fi, VCRs etc. with the programmes, as in the early days of



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British broadcasting, as necessary loss-leaders. The rationale for the introduction of cable in the UK is an example of this.

- The creation of the audience as a commodity for sale to advertisers, where the cultural software merely acts as a free lunch. This has proved itself the most successful solution and the increased proportion of advertising to sales revenue in the press and periodicals market culminating in the growth of free newspapers and magazines and steady expansion of wholly advertising-financed broadcasting services are indications of this.
- The creation of commodities, of which news and soap operas are classic examples, which require constant reconsumption.

Audiences, Cultural Repertoire and Distribution

The third key characteristic of the Cultural Commodity lies in the nature of its use-values. These have proved difficult if not impossible to pin down in any precise terms and demand for them appears to be similarly volatile. Culture is above all the sphere for the expansion of difference. Indeed some analysts would claim that cultural goods are pure positional goods, their use-value stemming from their use as markers of social and individual difference. While this aspect of culture merits much deeper and more extended analysis it is only necessary here to draw one key conclusion, namely that demand for any single cultural product is impossible to predict. Thus the Cultural Industries if they are to establish a stable market are forced to create a relationship with an audience or public to whom they offer not a simple cultural good, but a cultural repertoire across which the risks can be spread. For instance in the record industry only one in 9 singles and one in 16 LPs make a profit and 3% of the output can account for up to 50% of turn-over. Similarly in films the top ten films out of 119 in the UK market in 1979 took 32% of the box-office receipts and the top forty 80%.

Thus the drive to audience maximization, the need to create artificial scarcity by controlling access and the need for a repertoire bring us to the key point in this analysis. It is cultural distribution not cultural production that is the key locus of power and profit. It is access to distribution which is the key to cultural plurality. The cultural process is as much if not more about creating audiences or publics as it is about producing cultural artifacts and performances.

We need to recognise the importance within the cultural process in general and within the Cultural Industries in general of the function can be called, for want of a better word, editorial. This is the function not just of creating a cultural repertoire matched to a given audience or audiences but at the same time of

matching the cost of production of that repertoire to the spending powers of that audience. These functions may be filled by somebody or some institution referred to variously as a publisher, TV channel controller, a or film distributor. It is a vital function totally ignored by many cultural analysts, a function as creative as writing a novel or directing a film. It is a function moreover which will exist centrally within the cultural process of any geographically dispersed society with complex division of labour.

Taking these various factors into account we are now in a position to understand the reason why our dominant cultural processes and their modes of organisation are the way they are. The newspaper and the TV and radio schedule are montages of elements to appeal to as wide a range of readers, viewers and listeners as possible. The high levels of concentration in the international film, record and publishing industries are responses to the problem of repertoire. The dominance of broadcast TV stems from its huge efficiency as a distribution medium with its associated economies of scale.

For this reason the notion that the new technologies of cable and VCR are fragmenting the market rather than shifting the locus of oligopolistic power needs to be treated with caution, since there are strict limits to how far such fragmentation can go economically.

The Hierarchy of Cultural Industries

Power in the cultural sector clusters around distribution, the channel of access to audiences. It is here that we typically find the highest levels of capital intensity, ownership concentration and multi-nationalisation, the operation of classic industrial labour processes and relations of production with related forms of trade-union organisation. These characteristics are exhibited to their highest degree in the manufacture of the hardware of cultural distribution, especially domestic hardware. This is a sub-sector increasingly dominated by a few Japanese corporations such as Matsushita, Sony, Sanyo, Toshiba and Hitachi together with Eastman Kodak, Philips, RCA. The major UK firm of this type is Thorn EMI.

Then there are the major controllers of channels of software distribution often closely linked to specific modes of reproduction such as record pressing or newspaper printing. In non-print media there is again a high level of concentration and inter-nationalisation and US firms dominate owing to the large size of the domestic US market. Here we find some of the same firms as in hardware e.g. RCA, Thorn EMI and Philips joined by firms such as Warners, CBS, Time-Life, Gulf-Western, MCA. The multi-nationalisation of print media has been limited by barriers of language. Nonetheless apart from the high levels of concentration in the national UK market with three groups control



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74% of daily newspaper circulation, two of these groups – News International and Reed International have extensive foreign interests.

The increasing tendency in this field, as an extension of the principle of repertoire, is the formation of multi-media conglomerates, such as Pearson Longman and Thorn EMI in the UK, who own interests across a number of media thus enabling them both to exploit the same product, be it a film, a book or a piece of music, across a number of media and also to expand the principles of risk spreading not only across a range of consumer choice in one medium but also across the consumers' entire range of cultural choice. The development of such centres of cultural powers also, of course, raise barriers to entry.

Around these centres of power cluster in their turn groups of satellites. These satellites can be either small companies, for instance independent production companies in relation to Channel 4, or individual cultural workers such as freelance journalists, writers, actors, film directors. In these satellite sectors we find high levels of insecurity, low levels of profitability, low levels of unionisation and where it exists weak trade union organisations. Often labour is not waged at all, but labour power is rented out for a royalty.

The existence of this dependent satellite sector fulfills a very important function for the Cultural Industries because it enables them to shift much of the cost and risk of cultural research and development off their own shoulders onto this exploited sector, some of which is then indeed supported from the public purse. It also enables them to maintain a consistent high

Britain leads the world in the percentage of homes with video recorders. The video hire market is now quite static; the computer games market probably destined for a very great fall. (Photo: Sally McLeay).

turn-over of creative cultural labour without running the risk of labour unrest, bearing the cost of redundancy or pension payment. Their cup brimmed over when, as is often the case, the workers themselves willingly don this yoke in the name of freedom.

The Market and Culture

Before turning to the specific problems of London and of public intervention in the cultural sector, one last general analytical question must be raised; namely what is our attitude to be to the relation between the market and the cultural process. There is that general tradition which regards culture and the market as inherently inimical. This view is powerfully reinforced within the socialist tradition by opposition to the capitalist mode of production.

But it is crucial to separate the concept of the market from the concept of the capitalist mode of production, that is to say from a given structure of ownership and from the special features derived from labour as a market commodity. In terms of this relationship between consumers, distributors and producers of cultural goods and services the market has much to recommend it, provided both that consumers enter that market with equal endowments and that concentration of ownership power are either reduced, controlled or removed. However we must be clear that



removal of the power vested in private or unaccountable public ownership will not remove the need for the function I have described as editorial whether such a function is exercised individually or collectively. It also has to be stressed that even within the capitalist mode of production the market has, at crucial junctures historically, acted as a liberating cultural force. One thinks of the creation of both the novel and the newspaper by the rising bourgeoisie in the 18th century and of working mens' clubs and the working class seaside holiday in the late 19th century.

Indeed the cultural market as it has developed in the last 150 years in the UK as a substitute for patronage in all its forms cannot be read as either a destruction of high culture by vulgar commercialism as one reading would have it, nor as a suppression of authentic working class culture on the other, but as a complex hegemonic dialectic of liberation and control which still makes an analysis for instance of the role of broadcasting and of the BBC, public services tradition so difficult.

What analysis of the Cultural Industries does bring home to us is the need to take the question of the scarcity and thus of the allocation of cultural resources seriously together with the question of audiences, who they are, how are they formed and how best can they be served. For it needs to be said that the only alternative to the market which we have constructed, with the partial exception of broadcasting, has tended either simply to subsidise the existing tastes and habits of the better-off or to create a new form of public culture which has no popular audience; rather within which cultural workers create for the only audience they know, namely the cultural bureaucrats who pay the bill and upon whom they become psychologically dependent even while reviling them.

Cultural Consumption

The operations of the industrial and market structure outlined above produce a very specific pattern of cultural consumption. It is with this pattern that we must start in formulating cultural policy whatever one's view of the market mechanism and whether one sees the aim of cultural policy as increasing the audience for cultural activities judged to be intrinsically worthwhile or as enabling citizens to satisfy their cultural needs more fully whether as producers or consumers.

It should be noted that patterns of consumption are difficult to change because they are materially determined at two levels. First they are directly determined on class lines by available money and time. But secondly and more profoundly they are determined by what the French sociologist of culture Pierre Bourdieu has termed our habitus, that is to say those positive and negative predispositions to

certain forms of consumption and cultural practice which one learns unconsciously in childhood and in the process of education. The habitus translates the concrete material class position into which we are born and within which we are reared into a set of predispositions which express our sense of ourselves. In each choice we make between forms of consumption and differing cultural practices, as much in what we reject as in what we accept, we express our sense of belonging to a specific social group.

Introduction

This section gives a general overview of consumption in six cultural industries – publishing, broadcasting, film and video, performing arts, recorded music, and sports. It summarises available survey statistics on who is consuming, what is being consumed, at what rate, how much the consumer is spending, and what the trends are. It also presents available information on differences in consumption for various sub-groups of the population, based on age of consumer, sex, socio-economic status, and race. Finally, wherever available, it gives comparative information on consumers of the cultural industries in the subsidised and non-subsidised sectors. The numbers in brackets indicate the source of figures used and these are listed at the end of the section.

The key word here is 'available'. Very little separate information is available on consumption of small-scale arts events (e.g. community publishing, small theatre groups, community access broadcasting, etc) and very little leisure consumption research includes the variable of race of consumer.

It is useful to place cultural consumption in perspective: people spend most of their leisure time at home watching television, reading, relaxing, and so on. This holds true for both men and women, and for people of all ages and economic classes. Time use studies (10) show that on average people spend 60% of their leisure time at home; nearly one-fifth is spent socialising and drinking; almost one-tenth of leisure time is spent on holidays and travel. That leaves less than 15% of leisure time to spend on away-from-home sports and arts. The following table shows details of how people use their leisure time:

People's leisure time is increasing – since 1975 the average number of hours worked by full-time workers has dropped by about 100 hours per year (5) – but there is no evidence that people want to use their free time any differently. In fact, a recent survey (4) asked people how they would spend their time if they had another "6 or 7 hours per week of extra leisure" and responses showed in general they want more of what they do most – staying at home, visiting friends, "just relaxing".

The minority of 'do-ers', however, are spending more on the arts and sports.

Table 5. Leisure Activity

	Time Spent per Week	
	Hours	%
At Home:		
watching TV	16.0	35.1
hobbies and pastimes	3.8	8.3
reading	2.2	4.8
listening to radio	0.9	2.0
gardening	0.8	1.8
listening to music	0.4	0.9
relaxing	3.8	8.3
napping	0.2	0.4
Socialising:		
entertaining friends (at home)	1.0	2.2
conversation	1.1	2.4
visiting friends	4.0	8.8
pub	0.8	1.8
club	1.2	2.6
Holidays:		
excursions	1.0	2.2
leisure travel	2.2	4.8
Other away-from-home:		
classes	1.8	3.9
formal and other entertainment	2.7	5.9
sports spectating	0.1	0.2
playing sport	0.8	1.8
walks	0.8	1.8

Note: This table is based on a 1975 survey. A recent (1982) review by Leisure Consultants states that '... the broad pattern of leisure time use has changed relatively little since then. In particular, over one-third of weekly leisure is still taken up by watching television'.

Table 6. Consumer spending

Activity	Proportion of Leisure Spending Accounted for by Each Activity
At Home:	
viewing and listening	10%
hobbies and pastimes	18%
reading	6%
Alcoholic drink (home and away)	34%
Holidays	16%
Restaurants and Gambling	10%
Away-from-Home:	
entertainment, sport and recreation	6%

more time and money doing, and this growth is expected to continue. Although consumer spending in general will rise only 6% (at constant prices) 1982-85, leisure spending will rise 10% (34).





City Limits is a highly successful London listings magazine, run as a workers' co-operative, and with an emphasis on feature articles about the hidden aspects of London's life. (Photo: John Parnell).

Consumption by sector

1. PUBLISHING

Books

Book-reading is one of the most popular leisure activities. In 1982, 45% of people surveyed said they were reading a book at that time (12). A more recent (1983) survey shows that over three-quarters of people have read a book in the past year (8). The proportion of adults who are regular readers of books has been rising since the early 1970s, and is expected to continue to rise through most of the 1980s (10). Just to put it in context, though, British people spend less time reading (books and other material) than any other European country for which figures are available (Belgium, Denmark, Germany, Italy) (6).

Women are more avid consumers of books than are men (10). There is not a great deal of variation in the age of readers, but there is a slight tendency for people who read books to be in their 30s, rather than older or younger. There is a very strong connection with socio-economic status: about two-thirds of professional, managerial and other white-collar workers are book consumers, compared to about 40% of manual workers (3). These socio-economic differences are reflected in the findings of recent market research in London, which showed that people in the inner north-west boroughs (where professional/managerial

workers constitute 30% of the population) read books much more than do people in the inner south boroughs (10% professional/managerial) (13).

About two-thirds of books read are fiction, but there are large sex differences here: about three-quarters of books read by women are fiction, compared to only about half of these read by men. Men read more non-fiction than women – especially history, educational, business and technical books. There is only one area of non-fiction where women show more interest than men, and that is in the field of biography (12).

Consumer interest in non-fiction has been growing more rapidly than in fiction over the past two decades, particularly books on politics, history and science (3).

Although the proportion of people who read books is expected to rise, increases in consumer expenditure on books will be slight (about 1%) over the next four years, due to the effect of switching to paperbacks (10).

Magazines

The definition of 'magazine' seems to vary so much that different surveys come up with quite different consumer figures. Certainly, reading magazines appears to be a very popular leisure activity, with over one-half of the population reading a magazine of some kind on a regular basis (10).

Magazines in general are more popular amongst young people (age 15 to 24) than any other age group, but this can vary for different magazines. For example more than three times as many 15–24 year olds read *New Musical Express*, *Custom Car*, or *New Scientist* as 25–44 year olds, but fewer 15–24 year olds read, e.g. *Woman's Weekly*, *Do-It-Yourself*, or *Men Only*. The readership surveys upon which such statistics are based inquire only into 'the important journals and magazines', not those with small (relatively) circulations (3).

Generally, magazines constitute what is considered a 'slow-growth' area: consumer expenditure has fallen by over 20% in the past decade, and this decline is expected to continue (10). However, magazines catering to specific populations and meeting specific needs and interests are not included in this decline. For example, over 50 new computer magazines have appeared in recent years; and the GLC is funding a number of newly-established magazines geared to minority interests.

Newspapers

In 1981, three-quarters of adults read a daily morning newspaper in the UK. Women, the elderly, and the unemployed read newspapers somewhat less. But the greatest differences in newspaper consumption lie in the social class differences of various specific newspapers: over 50% of the readers of the smaller circulation dailies (the *Daily Telegraph*, *The Times*, *The Guardian* and *The Financial Times*) are in professional/managerial jobs, compared to less than 10% for many of the mass circulation dailies (e.g. *The Sun*, *The Daily Mirror*). As many as three-quarters of the readers of the mass circulation papers are semi- and unskilled manual workers (3).

Within London, there are differences in which is the most popular paper, partly based on socio-economic status, e.g. people in the inner north-west (Camden, Westminster, Kensington and Chelsea, Islington and Hammersmith) are more likely than others to read *The Guardian*, *The Times* or *Standard*; people in the inner south (Wandsworth, Lambeth, Southwark and Lewisham) are more likely than others to read the *Mirror*; people in the inner north-east (Tower Hamlets, Hackney, Newham and Haringey) are more likely to read the *Sun* (13).

Consumer expenditure on newspapers has been dropping for the last two decades, and

prospects for the future are not very promising. The Henley Centre forecasts a continuation in the downward trend in sales for the rest of the 1980s (8).

2. FILM AND VIDEO

Film

Although film-going remains the single most popular away-from-home entertainment, perhaps the first point to note about film consumption is its dramatic decline over the past three decades. In 1951, there were 27 million cinema admissions per week in Great Britain; in 1982, fewer than 1 million (39).

But it is still a fairly popular activity. A recent (1983) survey of adults in London showed that 53% had been to the cinema at least once in the past year (16). There were 18 million cinema attendances in London in 1981 (24). Children form an important part of the audience for cinema, and teenagers are the most avid film-goers: one-third of 16–19 year olds go to a film at least once a month (3).

There were no consistent differences between men and women in London in film-going, but people in upper socio-economic groups (professional, managerial, and other white-collar workers) were more likely to be film-goers than those in lower groups (skilled and unskilled manual workers). The London survey showed that relatively more Asians (74%) had been to a film in the past year than either whites (52%) or blacks (58%), and that there was a relatively large proportion of blacks (16%) who never went to films (compared to 4% for whites and Asians) (16).

Film consumption is one of the few areas where we have some, albeit limited, information comparing consumers of the subsidised and non-subsidised sector. A survey of audiences at the National Film Theatre* suggests that NFT-goers are the same as other film-goers in that they are relatively young. But unlike London cinema as a whole, men outnumber women at the NFT by two to one. Also, although categories used were not exactly the same, it would appear that at least twice as many professional/managerial workers go to the NFT as to all cinema. Finally, people who go to the NFT go to (any) cinema much more often (average 34 times a year) than people who go to cinema as a whole (average less than five times a year) (15).

Consumer expenditure on the cinema dropped by 21% 1975–81 (at constant 1975 prices) and is predicted to fall by 58% 1981–87, or nearly

*This survey was actually conducted on members of the British Film Institute, not NFT audiences, but 90% of BFI members attend NFT showings.



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10% per year(10). The continued decline in cinema audiences will be due in part to the drop in the numbers of teenagers in the population, but also to the rapid, widespread development of video.

Video

All other recent leisure trends pale into insignificance beside the growth of the VCR (video cassette recorder). Before 1980, possession was virtually nil. As of the end of 1985 about 35% of all households have VCRs.

Video recorders have proved far more popular in the UK than in any other European country. For example, in 1982 when 16% of UK households had VCR, only 4% of households in France did(37).

Most people who have VCRs use them to tape regular broadcast television programmes, in order to view them at other times. But the proportion of people who buy or rent video films is thought to be on the increase. Because of the huge 'pirate' market, it is difficult to know how many people use their VCRs to watch such 'pre-recorded software', but it is estimated that over half a million cassettes are rented each week in London. The most popular videos include *The Evil Dead*, *Conan the Barbarian*, *Death Wish II*, *First Blood*, and *The Thing*(24). A 1983 survey of leisure activities of adults in the UK showed that 41% watched video at some time in the past year(8). There is little published information on the characteristics of people who have VCRs. Skilled manual workers are among the major users of VCRs, according to several sources, as are people in the 30-59 age group(19). But use among younger people

The decline of cinemas has been temporarily halted by GLC support for community cinemas. The Dalston ABC is no longer; now a large residential blocks of flats is being erected on the site. (Photo: Sally McLeay).

is also high: one recent survey found that one-fifth of 15-24 year olds (including the age group heretofore most likely to go to the cinema) had watched a hired or bought video the previous week(38).

In 1982, consumer expenditure on video tapes in the UK (£200 million) far exceeded that on cinema-going (£136 million). Consumer spending on video (equipment and software) is predicted to increase 322% (at constant prices) between 1981 and 1987 (10).

3. PERFORMING ARTS

Theatre

Regular consumers of theatre in London represent a very small proportion of the population. A 1983 survey showed that only 8% went to the theatre every two months or more often(16). However, the same survey showed that 45% of Londoners went to a play of some sort (anything from a West End production to the local school play) at least once during the past year. In 1981, there were over 8½ million attendances at West End theatres, a figure that includes attendances by the 3 million tourists who visit the theatre while here.

People who go to the theatre tend to be young (over half under 35), well-educated, and in professional/managerial occupations. Theatre goers also tend to be white: in London only 11% are black or ethnic minority.

of whites have never been to a play, compared to 32% of blacks and 42% of Asians(16).

Some, limited, information is available comparing consumers of subsidised and non-subsidised theatre(12, 16, 18). In general this information shows that audiences in both sectors tend to be young, white, upper socio-economic class and well-educated, and that people who go to the state-subsidised sector are theatre-goers in general. This profile of subsidised theatre audiences holds generally true both for the major subsidised sector (the National Theatre) and for small, community arts groups. In fact, audiences at small, community arts events tend to be even more highly educated than other theatre audiences.

However, although the upper socio-economic class is over-represented in community arts, it is not quite so over-represented as at other theatre events; and when venues are radically altered as, for example, in plays presented in working men's clubs, then so is the socio-economic composition of the audience.

Opera and Ballet

About 10% of Londoners went to an opera and an equivalent proportion to a ballet at least once in the past year. As with theatre, audiences tend to be white, well-educated, and in Professional/managerial occupations. Audiences tend to be young – the 25–34 year old group were more likely than any other age group to say, in the 1983 survey of Londoners, that they had been to opera/ballet in the past year. Audiences at 'Proms' performances tend to be younger still, but drawn from a slightly wider class range. The ballet has almost twice as many women in the audience as men(12).

Classical Concerts

Almost one-fifth of Londoners went to a classical music concert last year(16). There were over one million attendances at the South Bank Concert Halls in 1981. Audiences, as with theatre, opera and ballet, tend to be white and in the upper occupational groups. Audiences again tend to be young (46% of the Royal Festival Hall audience is under 35) but the median age of concert-goers is higher than that of theatre, ballet and opera-goers. Concert performances at the 'Proms' attract a younger audience(12).

Pop Concerts

Seventeen per cent of Londoners went at least once to a pop concert in 1983 (16). Not surprisingly, they tended to be very young, with nearly three-quarters (71%) under age 30. Pop concerts have slightly greater appeal for ethnic minorities: almost one-quarter (24%) of Asians and blacks in London had been to a pop concert in 1982, compared to 16% of whites(16).

Although figures are difficult to come by, attendance at dance, drama and opera in England, at least in the subsidised sector, appear to be relatively stable over the past decade(14). Consumer spending on the 'live' arts increased by 9% from 1975 to 1981 (at constant prices) and is predicted to grow by 6% between 1981 and 1987(10). In relative terms, British consumer expenditure on the live arts is (with Germany) the highest in Europe: the British spend 0.12% of total household expenditure on performing arts, compared to, e.g. 0.05% in France, 0.04% in Belgium, and 0.02% in Holland(6).

4. BROADCASTING

Television

Virtually everybody watches television. Only 3% of households do not have a TV set(3), and people spend an average of about 3 hours 10 minutes per day watching it. This represents the highest rate of viewing in Europe, e.g. West Germany, 2 hours 13 minutes; France, 2 hours 9 minutes; Netherlands 1 hour 27 minutes(21).

The elderly and children watch more than people between 16 and 64 years; lower socio-economic groups watch more than higher socio-economic groups. There is little difference between men and women in amount of television watched(3).

However, there is a difference in type watched. A recent BBC survey(40) showed that women want and watch more drama, variety and religious programmes; men, more sports, science and nature programmes. Over 25% of the British population watches *Coronation Street* (with women outnumbering men by two to one). Other favourite programmes include: *Cagney and Lacy*, *Crossroads*, *That's Life*, *Tales of the Unexpected*, *Top of the Pops* and the *Nine O'Clock News*. Audiences for such programmes number in the many millions(19).

Arts magazine-type programmes (*Omnibus*, *The South Bank Show*, *Arena*) have comparatively small audiences – around one-quarter that of the most popular programmes. About 7% of the population watched the televised performance of *The Ring* (or part of it), but it should be noted that is many many times more than any live performance *The Ring* ever had. Not only do more people see the arts on television than live, but also more different kinds of people: a recent ICA survey showed that the audience for television arts programming is drawn from a much wider cross-section of the population than is the case for audiences at live arts performances. Also, a Channel 4 survey in May of this year found that about 50% of viewers claimed to like arts programmes(30,31).

Audience figures for minority or alternative programming are even smaller than those for



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arts programmes, and include: *Black on Black*, 250,000; *Eastern Eye*, 450,000. However, the audience for such programmes may be far more appreciative: a survey done by *Black on Black* discovered that a staggering 90% of viewers questioned liked the programme(28). There is, however, little information on who watches what the Media Project terms "social action broadcasting". By their very nature, it appeals to small or minority audiences, and merely earns a "zero rating" in the standard measuring system used by the broadcasting industry(26).

Levels of television viewing have declined somewhat over the past few years. Spending on TV has risen partly because of the trend to two-TV households; about 30% of households now have more than one set. Consumer expenditure on television rose 5% 1975–81 (at constant prices) but is predicted to rise much more slowly during the rest of the 1980's(10).

Although television viewing has declined (from 3 hours 40 minutes per day in 1981 to 3 hours 10 minutes per day in 1983), this has evidently not been because of consumer dissatisfaction with what is on offer. Comparative surveys conducted in 1981 and 1983 showed that more people are satisfied with programming now than two years ago. This held true for all channels. In 1981, 61% of people surveyed said they were satisfied with ITV programmes; in 1983, 71%. The respective figures for BBC1 are 70% and 84%, and for BBC2, 69% and 75%. It is of interest that only 27% of people in the same survey said they were satisfied this year with Channel 4 programming(22).

Radio

Like television, virtually everybody listens to radio. A recent survey shows that nearly 90% listen for at least 15 minutes a week(27). The average time spent is around 9 hours per week(10), but this varies according to which station is listened to, e.g. Capital Radio listeners tune in for 14 hours per week, BBC Radio 2 listeners for 12 hours per week and Radio 3 listeners for 5 hours per week. In all, commercial radio gets about a one-third share of the radio audience(20).

There are little class, age or sex differences in the amount of radio listening as a whole, but different stations attract different audiences, e.g. the audience for Capital is younger than that for LBC. Also, different radio programmes attract different audiences, so for example a greater proportion of the audience for Terry Wogan is over 50 than the audience for Jimmy Young(12).

A 1982 survey of what Londoners want on the radio showed a desire for more local news, humour, interviews, discussion and popular music, but a desire for fewer programmes on party politics and current affairs(22).

As with television, there is no reliable

information available on consumption of community access broadcasting or minority programmes.

Radio listening has remained relatively stable although a very recent survey shows a drop of 5% over the past year(27). Consumer expenditure for radio (and all audio products) rose 3% between 1975 and 1981 and is expected to rise 2% to the end of the 80s(10).

5. RECORDED MUSIC

Listening to records, tapes and cassettes at home is a popular activity, but very strongly age-related. Among adults virtually all 16–19 year olds regularly listen, but for the elderly the proportion drops to barely over one-third. It is also class-related: people in higher socio-economic groups are more likely to listen to recorded music than are people in lower socio-economic groups(10).

Growth in the recorded music industry has always relied heavily on the teenage market, but since their numbers and spending power are declining, consumer expenditure has remained static in the past five years or so. Projected change in consumer expenditure on single records will be nil to the end of the 80's, up 4% on long playing records, and up 11% on cassettes. Home-taping has become very popular. Consumer spending on blank cassettes rose 247% between 1975 and 1981 and is expected to rise 16% to the end of the 80s (10).

6. SPORTS

Participation

About one-third to one-half of the population take part at least occasionally (once a year) in some form of sport(3). But apart from walking, regular participation in any specific sport is very much a minority activity. For example, a 1980 survey showed that only 3% of adults had played tennis in the previous month, 8% went swimming, 8% played darts, 6% snooker, 3% squash, 3% football and 1% bowls. About 20% of adults walked (two miles or more) in the previous month(36).

Sports participation is age-, sex-, race- and class-related with young, male, white and upper socio-economic group people participating more. Despite Sports Council and other efforts to broaden the consumption of sport, a recent (1982) survey of users of sports centres in Inner London confirmed that the pattern persists. The differences are strong, with most sports participation very heavily dominated by these groups(35,41).

This pattern of sports participation is found in all European countries for which statistics are available – Holland, Belgium, France, Spain and Norway(32).

There are some exceptions to the pattern though, e.g. snooker and darts have a higher participation rate among lower socio-economic groups; bowls have higher participation among the elderly; gym/keep-fit among women; *weight-training and martial arts appeared*, in the survey cited above, to attract a high proportion of ethnic minorities. Also, swimming and walking show little difference among men and women(3).

Participation in sport has increased during the past decade; consumer spending on sporting services grew by 2% between 1976 and 1982 and growth is predicted to be similar in the coming decade. However, spending on sports equipment and clothing is expected to grow slightly faster (3-4%). This increase will be limited mainly to 'up-market sportsmen and women'(34).

Spectator Sports

As with participant sports, spectator sports are dominated by men. In 1980 8% of men regularly watched live football compared to only 1% of women(9).

For other sports (combined) there is not such a wide difference between men and women as spectators, but still 7% of men watched line sports other than football compared to 4% of women.

Sports spectating is relatively evenly distributed across all socio-economic groups, with only a slight tendency for upper income groups to attend live sports more than lower income groups. Full-time students are the most avid group of sports spectators(3).

Except for football, sports spectating has remained relatively stable over the past decade(3). The Henley Centre, in summer 1983, reported a sharp increase in sports spectating between 1982 and 1983, and forecast a continued rise for the future.*

Attendance at football matches has been falling almost continuously since shortly after the Second World War(3). Attendance is now down to about 20 million per year in the UK compared, for example, to about 30 million two decades ago. The TV audience for football has also dropped. For example, the 1978 World Cup was watched on TV by 23 million people; the 1982 World Cup by 13 million(8).

Issues

Consumption in all areas of the cultural industries except television and radio is concentrated to some degree among the upper income, white, and relatively younger members

of the population. In sport, consumption is further narrowed to those of the upper income, white, younger population who are also male.

Efforts to change and broaden the profile of consumers in the cultural industries have tackled a number of issues:

1. Change what is on offer

Clearly, people can only consume what the cultural industries produce. If the nature of supply is not geared to the interests and needs of any particular segment of the population, they will not consume. In general the aim of the major producers in the cultural industries is to maximise consumption. Therefore, the industries concentrate on those products and services that appeal to traditional high-use groups.

There have in recent years been efforts to change the nature of products and activities on offer so as to appeal to hitherto low-use groups: ethnic minorities, the elderly, women, those on low income.

To day these efforts to change the nature of what is on offer represent only a very minor part of the output of the cultural industries, so that what is available for the 'non-consuming' groups is still severely limited. Therefore, large-scale surveys such as those reported in this paper inevitably show the same profile of high-consumption groups: affluent, white, young.

There has been very little research to document directly the impact on cultural consumption of, for example, black theatre groups, feminist publishers, or Asian record producers. There have been testimonials as to how well-received and socially useful are various individual experiments in alternative arts, and simple observation shows that a large proportion of the audience for ethnic minority arts are ethnic minority people. But there is little information on how these alternative art forms affect consumption patterns of their target populations: are they actually reaching new audiences or are, for example, women who go to feminist theatre theatre-goers anyway.

What limited research that has been done suggests that some alternative arts and sports projects may attract the same participants as traditional arts and sports. For example, a study(42) of a variety of community participant arts projects (festivals, theatre, sport, etc) concluded that '... people who took part were in the main already active in sport and recreation'. A review(33) of special sports schemes for women found they succeeded in attracting women participants, but these were women who participated anyway in 'non-special' sports programmes. A survey(18) of audiences at performances of community theatre groups found '... they closely resemble almost all audiences at large theatres - i.e. largely middle class ... and with dominant



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*Views of the trends and prospects for sports spectating vary among different experts.



proportions whose formal education was at universities'.

Such research in part shows how very difficult it is to change people's habits: to get non-theatre-goers into the theatre, to get non-sportspeople into sports, etc. But it must also be strongly emphasised that such research has been very sparse – too sparse to support any sweeping conclusions – it has never been applied to ethnic minority arts, arts for the elderly, and many other alternative art forms, and it has been severely limited in scope.

For example, the study of audiences at community theatre cited above (para. 66) focussed on performances at fairly traditional or elite venues – auditoria in universities, colleges and arts centres – so it is not surprising that audiences were themselves fairly traditional and 'elite'. This raises a second issue in terms of attempts to broaden consumption in the cultural industries: that of access to arts and sports.

2. Accessibility

Efforts to broaden the pattern of consumption have often been geared toward easing access to arts and sports. This covers a wide range of strategies: citing venues within the communities where there are large proportions of people who do not otherwise participate; making tickets more convenient to buy; reducing ticket prices; laying on special forms of transport to venues; providing various support services to make it easier to participate, e.g. creches; making attendance at arts and sports venues more appealing, interesting and lively, and less forbidding, by, for example, the addition of popular food outlets.

Again, very little research has been published to monitor the impact of such measures in bringing in new participants. Many of these strategies, particularly those having to do with alterations in how tickets are bought are marketing strategies intended to maximise income through higher attendance, rather than to broaden the audience.

3. Information

Most of the schemes to attract non-consumers into arts and sports have suffered from poor publicity. Alternative arts and sports schemes, as well as the strategies employed to ease access, have never been treated to the 'hype' that accompanies traditional arts and sports events. So to compare their appeal in terms of numbers who consume would be doubly inappropriate: (i) they are by definitions of appeal to fewer people, and (ii) they are nowhere near as publicised as mass-appeal events.

Often the information strategies employed by arts and sports events intended to attract the

'non-consumer' are somewhat self-defeating. For example, advertising special sports classes for the elderly by placing publicity posters for the classes in a sports centre; participants are then bound to be drawn from among those who already visit the centre; or, as in Arts Council information experiments of the late 1970s, placing publicity leaflets for arts events in libraries, theatres and galleries, and then concluding that the information project '... had a major impact on the educated person but it was more difficult to show impact on the less articulate ...'(1)

Most organisations offering events for the 'non-consumers' are operating on very tight budgets. Information and publicity is seen as a luxury that they (and their financial supporters) cannot afford. The amount of funding allocated to publicity is generally very low and the result is that members of the community are often uninformed about what is on offer. A recent survey in Hammersmith found that the reason given by the majority (70%) of residents for non-attendance at special arts and entertainment events was that they had never heard of them(7).

In attempts to broaden consumption patterns in the cultural industries few have ever dealt with all three issues – changing the product to meet the interests of non-consuming groups; easing access; and mounting effective (i.e. generous) publicity. Well-monitored, comprehensive efforts of this sort are needed in order to explore the most effective means for bringing about significant change in cultural consumption.

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Cultural Policy

The Culture Industries and London

As a result of the work for the Public Hearings on Cable and the London Industrial Strategy the Economic Policy Group has identified the cultural sector as a prime site for possible GLC intervention both because of its intrinsic importance to the London economy and because through the Arts and Recreation budget the GLC is already making a significant intervention which, if it is to produce the maximum long-term benefit in terms of access to cultural opportunities for Londoners, needs to be planned in the light of the economic dynamics of the cultural sector as a whole.

Because of London's historic role as not only a national, but also an imperial, capital city, the cultural industries are heavily concentrated in London as the hub of both a national and international market. Printing and Publishing is now London's largest manufacturing sector employing in 1978 112,300 with book publishers exporting 34% of their output. Electrical engineering, which provides the infrastructure of cultural transmission is the second largest manufacturing sector with 99,300. Between them these two sectors make up one third of London's manufacturing employment.

The study *The Audio and Audio Visual Industries in London* shows that about 50,000 people are employed in London in the broadcasting, film and video industry and that nearly 30% of all UK cinema box-office receipts are taken in Greater London. A further 20,000 are employed in advertising 59% of the UK total.

The Institute of Employment Research at the University of Warwick estimated in their Spring 1982 review of the Economy and Employment that for 1980-1990 the category of Literary, Artistic and Sports would be the fastest growing area of employment increasing nationally by 30% or 132,000.



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**The Cultural Industries and Public Policy**

The question of the implications of the rest of analysis outlined above for public cultural policy is very much on the international agenda. In April 1980 the Council of Europe held a Conference on The State's Role vis-a-vis the Cultural Industries and is engaged in continuing work in this field. In 1978 UNESCO approved the implementation of a comparative research programme on cultural industries. As a result a meeting of experts on "The Place and Role of Cultural Industries in the Cultural Development of Societies" was held in Montreal in June 1980 and this was followed by a World Conference on Cultural Policies in Mexico in July 1982.

The French Government has recently set up an Investment Fund for the Cultural Industries aimed both at helping those industries to compete against foreign, especially US products, in the domestic market and also to penetrate export markets.

The recent second report from the UK Government Information Technology Advisory panel sees software in all its forms as a growing international market which the UK is in a good position to exploit and advocates Government support, on grounds similar to the French initiative, for the development of what they describe as tradeable information, a category that includes entertainment.

The new approaches to public cultural policy are motivated in part by a realisation of the growing economic importance of the cultural sector and in part by the perceived inadequacies of traditional approaches to cultural policy which at best act as a temporary band-aid of almost total irrelevance to the health of the patient.

They are in large part an attempt to prop up a largely 19th century structure of cultural practice, to which the majority of citizens are wholly indifferent.

What then should our reaction be? What kind of policy question do we now need to pose?

Broadcasting and Cultural Policy

First, and most importantly, we need to direct the debates, organizational energies and finance towards broadcasting. It is the major site of public cultural intervention. In 1982 its revenues were as follows:

BBC	£ 563.6 million
ITV	£ 820.2 million
ILR	£ 70.0 million
Total	£1453.8 million

This compares with total central government and local authority expenditure on libraries, museums and galleries and other cultural facilities in the same period of £673.8 million.

In the case of the BBC this sum is under total public control. In the case of ITV and ILR, while the cultural service is produced by privately-owned, commercial companies and is financed by selling advertising time to commercial advertisers, this is done within a public service structure of control which actively counters market pressures through mandatory programming, differential rentals, the franchising process, the Channel 4 levy and the Channel 4 Board. Moreover it is the public authority which funds and owns the transmission system.

But broadcasting is also a major site of public cultural intervention in the narrow sense that, according to evidence submitted to the Select Committee on Education, Science and the Arts inquiry into Public and Private Funding of the Arts in 1981-2 the BBC spent £105 million, ITV £90 million and ILR £2 million on those areas of programming such as drama and music which can be defined as art in the narrow sense of that term. This compares with the Arts Council's budget of £74.7 million and the British Film Institute's of £8.4 million.

Broadcasting is also the heartland of the cultural process nationally because of:

- (a) the percentage of free time devoted to viewing and listening, an average of 20 hours per week per head or about 25% of available time.
- (b) the percentage of consumer expenditure devoted to it, approx £4,150 million in 1982 compared with £2,396 million on books, newspapers and magazines and £1,608 million on other recreational and entertainment services. Moreover expenditure on broadcasting has been growing over the last twenty years not only absolutely but as a percentage of consumer expenditure.

Because of the centrality of broadcasting, other cultural forms and practices have become increasingly dependent upon it.

- (a) Not only do most people now watch films on TV and not in cinemas, but, as Channel 4 has demonstrated, the creation of a particular broadcasting structure can and has created in its shadow a dependent/independent film sector. Without Channel 4 it is doubtful whether, for instance, the film and video workshops with the associated ACTT Workshop Agreement would have come into existence, a development which has already had a profound effect on the direction and use of public funding. Not only is the continuing existence of an independent film and video sector now dependent on the financial health and programming policy of Channel 4, but the programming and financial health of the

independent distribution and exhibition sector is increasingly determined within Channel 4.

Moreover Channel 4's intervention creates a force field, as the example of the workshops shows, into which other public funding bodies such as the BFI, GLAA and the GLC are sucked as they become involved in co-funding arrangements.

It is often argued by the cinema industry that TV should pay a levy on all films shown the proceeds of which would be channeled back into film production and even cinema exhibition – as in fact a substitute for Eady. We need to be wary of this argument since it is in effect a transfer of resources out of the public sector, where it is under some element of public control, and into the private sector.

(b) As *The Record Industry* chapter shows access to radio airtime is a major determinant of a record's market success or failure, while on the other hand the record industry looks increasingly to radio as a source of revenue from Performing Rights.

(c) Not only are book sales in both fiction and non-fiction significantly linked to TV exposure e.g. *Brideshead Revisited* or *Life on Earth*. But increasingly book publishers, often themselves part of multi-media conglomerates, are conceiving projects from the start with their broadcasting potential in mind.

(d) The chat-show and the phone-in, two quintessentially characteristic forms of contemporary broadcasting are now an integral and essential element in the marketing process of other cultural industries as the Local Radio Workshop's study of Capital Radio or any edition of Breakfast TV or TVAM demonstrates.

(e) Sport is increasingly dependent on sponsorship which in its turn is attracted by the possibility of broadcast, especially TV coverage. Indeed the high level of tobacco company sponsorship is accounted for by their need to circumvent the ban on the TV advertising of cigarettes.

Problems of Broadcasting Policy

For the reasons given above any cultural policy needs to engage with problems of broadcasting policy. In particular that is true at present when the whole culture sector faces upheaval because of increased commercial competition for the attention and expenditure of TV viewers via VCRs, Cable and Satellite. The problems of broadcasting policy can be looked at under three headings.

1. The Broadcasting Economy

As in any cultural system there is a need in broadcasting to match production to revenues. This problem has special features in the case of

broadcasting because the level of revenue is determined not by the consumer, but by the Government in the case of the BBC licence and by advertisers in the case of commercial broadcasting.

Nonetheless if the amount of airtime to be filled outruns the capacity of the domestic system to finance the necessary production there are two inevitable results. Either the costs of production must be lowered by cutting wages, the time available for research, writing, rehearsal etc and/or the economies of scale available on the international market must be exploited either by importing programmes whose costs have largely been amortized on other, mainly the US, markets or by co-production or by designing programmes with foreign sales specifically in mind.

It is arguable that the creation of Channel 4, TVAM and Breakfast TV, whatever their merits or demerits in isolation, has already put the British broadcasting system under such pressures as moves to ease the existing quota restrictions and calls from ITV Chairmen to cut production costs bear witness. It is certain that the introduction of cable and satellite services will have serious and deleterious effects on the cultural range of domestically produced programmes available on British TV.

But the expansion of distribution channels for audio-visual product, especially under market conditions, has two further consequences.

- It is impossible any longer to retain central control over the flows of revenue involved such that, as happens within the BBC and the IBA system, cross-subsidization is possible between geographical areas and programme types
- It is impossible to maintain a balance between publicly-funded and advertising-funded broadcasting and the whole system increasingly responds to the pressure and dynamics of advertising.

2. Accountability

At present broadcasting expenditure and the cultural policies within which that expenditure is made are under the control of publicly appointed bodies responsible to Parliament and advised by a structure of Advisory Committees. In addition within the IBA system there is a process of at least semi-public franchise awards.

Criticisms of this structure of accountability have been made and widespread over the last decade and there is no need to rehearse those arguments here. However in comparison with other sectors of the Cultural Industries not only is some measure of public accountability built into the broadcasting system, but the legitimacy of the whole system rests upon it. There is thus an opportunity to build upon and extend this system not just as a model for other cultural



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sectors, but in order, because of broadcasting's centrality, to directly influence other sectors. Thus the GLC, in alliance with other interested local authorities and public bodies, needs to take seriously the business of building a campaign for more accountability in broadcasting and of using the system's accountability which exists through the exertion of constant pressure and lobbying. In particular as a strategic authority the GLC should aim to keep the performance of the broadcasters under constant review either through itself setting up a unit or by funding a suitable external body to carry out this work on its behalf. It should also publicize widely the results of such work.

3. Access

Access in broadcasting can mean a number of different things:

(a) The opportunity for individuals and groups to make their views known to the public via TV and radio in their own way, unmediated by journalists or programme producers. There is a spectrum here from units inside broadcasting organizations set up to facilitate such access, through to the provision of facilities and funding from outside the broadcasting organization, to make programmes which the broadcaster shows willingly or is obliged to transmit.

The introduction of cable must not be used to allow broadcasters to avoid extending the concept of access in this sense since broadcasting will remain for a long time, perhaps for ever, the major channel to the majority audience. Cable could easily be used to ghettoize such access.

(b) Access to the information about the inner workings of broadcasting institutions, e.g. finance, without which the concept of accountability is inoperative.

(c) Access to broadcasting channels: This is the demand made by some community broadcasters and exercised *de facto* by pirates. It is also the claim made by advocates of multi-channel cable development. Its attractions within a tradition of free speech, a free press etc are obvious. Its dangers are firstly financial as outlined above and secondly, excessive fragmentation of audiences leading to extreme forms of ghettoization, and finally that it easily becomes indistinguishable from advocating a free market solution to broadcasting the first casualties of which, if it were to come, would be precisely those alternative voices at present claiming access to more channels.

(d) Access to the production of mainstream broadcasting: Here we find, in particular, the arguments that those who at present create broadcasting output are drawn from a narrow class, gender and ethnic group with predictable results on the output in terms of whose picture

of the world is presented and validated. In response equal opportunities solutions are invoked.

There has been a tendency to respond to this situation by funding alternative production and associated training for those groups or sections of the population such as women and blacks at present excluded from the broadcasting mainstream. This however, while valuable in its own terms has more to do with access in the first sense described above. To solve the problem of access to the mainstream means engaging directly with the recruitment and manpower policies of the BBC and the ITV and ILR companies with the necessary collaboration of the trade unions. This in its turn raises serious issues, which cannot be dodged. In particular it means recognizing the limited size of the workforce concerned and its relatively slow rate of turnover because of its existing age structure. This in its turn means that entry will be necessarily restricted and that whoever exercises control over this entry will have to devise criteria of selection, which in its turn links to the nature of the training which is desirable. In this regard the GLC policy will need to be co-ordinated with the ILEA's current plans to restructure further and higher education in London and in particular with its plans for a National Communication College.

In short in considering policies towards access and related training we need to be clear whether we are concerned with the development of fulltime professional cadres for the broadcasting industry or with amateur or semi-amateur practitioners.

Other Cultural Policy Questions

Expenditure on public libraries represents over 50% of all public expenditure on culture and a much higher proportion of local authority expenditure. A large and increasing proportion of that expenditure goes on staff and buildings. It must be sensible to see that maximum use is made of that asset. For instance perhaps it is libraries that need to become both alternative film and video marketing centres for cultural services.

We need to stop looking at the media in isolation. The public sector too needs to exploit economies of scale and the notion of repertoire. Thus community bookshop initiatives have to be co-ordinated with policies to develop alternative community based venues for film and video exhibitions, for the performing arts and for the display of visual arts. Thus the distribution of books, records, periodicals, films and video needs to be analysed as one problem.

We need to concentrate our interventions not on production but on distribution in the widest sense. That is to say we need to develop public

sector audience research and marketing expertise and ways of placing enhanced cultural choice in the hands of individuals and groups, choices to which these distribution services would then enable cultural workers to respond and perhaps be more nearly self-sufficient. This seems preferable to the current tendency which is to encourage the over-production of cultural goods and services for which there is no audience.

If we are serious about improving access to cultural production for disadvantaged groups such as women and ethnic minorities then we need to negotiate with the major companies in the Cultural Industries over their training and recruitment policies in collaboration with the relevant trade unions. But this raises an issue we cannot dodge. No one has the right to be a cultural worker.

Their numbers will always be limited. The illusion of free access is only at present sustained by the high levels of unemployment and marginal employment. The price that would have to be paid for better terms and conditions is limitation on access. This applies as much to existing publicly funded cultural activities as it does to the private sector. How then is such access to be controlled, on what criteria and by whom?

Are there certain cultural trends we cannot buck, in particular the trend to concentrate cultural consumption in the home? The GLC has to decide how to respond to the dramatic decline in cinema attendances and the resulting prospect of wide-spread cinema closure in Greater London. Should those cinemas be taken over and if so for what purpose if cinema going cannot be re-created? Perhaps resources would be better spent ensuring that the choice people received at home was enhanced?

Should we campaign for a cultural levy on advertising? Advertising is a crucial and growing source of cultural funding. It is a source of funding which structures cultural production and distribution in specific ways which are not directly responsive to the demands of audiences. In particular it subsidizes more heavily the cultural consumption of the better off. There is therefore a powerful case for adopting on a national and cultural sector wide basis the strategy adopted within the IBA system, through differential rentals and the Channel 4 levy, of redistributing advertising expenditure to support cultural provision which advertising would not support. The problem is to construct appropriate mechanisms to this end.



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CHAPTER 10

LEISURE POLICY

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(Originally presented as background to the workshop held at the Arts and Unemployment Conference, Newcastle, 24 November 1984.)

It is difficult in the short space of a lecture session to give a detailed explanation of all the policy issues as they relate to un/employment.

However, it is possible to focus on a number of structural factors and definitions which I feel are central to the issues.

Perhaps the most useful lead-in to the discussion is the newspaper article 'The Jobs Generator' (*Sunday Times*, 8 July 1984) which describes a proposal, from a leisure company, to turn the old Battersea Power Station into a rather up-market theme park and funfair. Though it has been suggested that the development could create over 4,500 jobs some critics have complained about 'Mickey Mouse' jobs. Ken Livingstone is quoted as saying that Battersea would provide 'low-paid, part-time, cleaning and catering jobs, which are so common in the leisure industries.' Research by the Sports Council supports this view.

One important aspect of the *Sunday Times* article is the chart which shows the comparative rates of growth/decline in jobs in the 'leisure' industries as against 'arts' or 'sports' etc. The figures go from 1960 to 1980 and show:

- 82% increase for pubs
- 76% increase for sports
- 71% increase for gambling
- 60% growth for clubs/popular music
- 21% gain for restaurants/catering
- 16% for hotels

and crucially:

- 9% drop for arts, theatres, cinemas etc

It is also important to register that in the same week in which the Press and radio were clamouring about the private enterprise proposals for a "Disneyland" in Battersea Power Station, there was no coverage at all of GLC's imaginative (£30m) development plans for Battersea Park – just half a mile down river. The GLC plan to restore Battersea Park back to its Victorian splendour, with free sporting and other leisure facilities was not worth a mention. We are nowadays reminded about the importance of Victorian values, but it is often forgotten that it was benevolent Victorians who developed recreation facilities like parks, museums, historic houses, libraries etc.

Today the values are *feudal* not Victorian. Hence, in the Government's abolition proposals for the GLC there is no mention of plans for some 30 or 40 existing GLC parks, nor the GLC's unique role in constructing large *new* parks. The provision of entertainments – another development of Victorian recreation 'of an improving kind' – in parks and open spaces in the city also receives no mention in the government's abolition plans.

I do not want to give the impression here that all is well in the state run leisure sector and all is far from well in the market leisure industries. Both sectors interact with each other, both sectors promote both elite and populist causes, both sectors have both positive and negative elements. The central issue is to understand the conflict and interaction of the state and the market as 'providers' of goods, services etc. at various levels of popular consumption.

The purpose of this paper is to explore some of the features of the relationship of the state and the market in the context of a major transformation in living and un-employment patterns.

To begin with I have chosen a number of headings or concepts which I believe provide us with a number of perspectives, or as a metaphor a number of magnifying glasses, with which to look at the issues and from which some conclusions could be drawn.

Why Culture is Political

When you look at the relations between individuals and groups in the society mediated through the relationships between their culture, you see that it is impossible to hold this area free from politics. Because all of that which situates some groups in a greater position of authority, social leadership or dominance – socially and economically – is not unrelated to what establishes them as the groups that at a particular period become the bearers of the established culture. And what positions other groups outside the circle of power, wealth, influence, prestige, tends to be a good way of identifying those people who are involved in alternative or other cultures. These cultural relations are always relations of power. We



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we talk of culture we are talking about a source of enormous historical and social power: those who command the dominant language, those who produce and reproduce the dominant cultural forms, those who have access to the production and dissemination of culture, those who produce culture for others, those who transmit the cultural heritage in education, those who have access to the production and dissemination of culture, those who produce culture for others, those who transmit the cultural heritage in education, those who are adept at cultural criticism, those who begin to monopolise the means of symbolic communication etc., . . . this is power constantly at play in society. Culture is saturated with relations of power, and consequently of politics.

The State

The state now has a massive presence in cultural relations and that presence is deeply contradictory. We depend on it for resources, provision and we are all beneficiaries of the cultural enabling role of the state. But just as all institutions are both enabling and oppressive, so many of us know that you do not let the state in without also letting in some form of control and regulation: traditionally managing the resources in a way that is not equally distributive to all sectors of the population. Clearly, the welfare state gives us some of the things we need, gives us 'benefits', but it does so in a certain way, in a way that on occasions puts us down. It is never easy. You work for the state: in the state, but against the state. You work to change the restricting nature of the state, to fight for more democracy, more collective practices, new cultural sites, etc. It is in this sense that we need to understand the state not only as an institution, but also as a form of social relations, a class practice.

As an economist, John Maynard Keynes' main idea in 1936-42 was that the state should take an active interventionist role not only in managing the national economy but also a national culture. From his vantage point, as a member of the Bloomsbury group, he saw the justification of an active state in both economic and cultural terms as 'civilisation'. Keynes who was also extensively involved in defining the early tasks of the new Arts Council (CEMA) gave a range of debilitating definitions: of the 'creative artist' as someone with a heightened class sensibility, taste; of a popular culture inferior by definition because of 'metropolitan standards' and commercialism. It is Maynard Keynes who helps define, incorrectly, cultural policy as a problem of finding audiences for the artist's work rather than vice-versa. When audiences could not be found (the artist and the work remained unquestioned as an assumed excellence/standards/taste) this was blamed on the market and the gap filled by state subsidy. This tension between, on the one hand, centralisation, professionalisation and 'standards', and, on the other, diffusion,

democracy and popular appeal remains with us today.

Professionalisation, by the Arts Council and other institutions, acts as a form of social closure in which the term 'amateur' is used to describe activities which are 'more social than artistic'; are self-indulgent fun; are no skilled and serious; are not the main means by which a person 'earns their living' etc. In the context of mass unemployment and what is described by the press as 'enforced leisure'; the terms professional and amateur have little credibility. Above all they remain class definitions of exclusiveness. It is worth remembering that it was the Arts Council itself in 1963 which proposed a body which could deal with amateur activities as part of a 'youth service' or as part of some wider general social service concerned with public provision of 'leisure'. Here the class lines are drawn so that amateur activities are not seen as having artistic merit and strength as arts activities but as part of 'some wider social service'. These spurious definitions and tensions are maintained even though both the Arts Council and Sports Council gives some help to amateur activities.

Politically, they are also the tensions which operate between those institutions committed to a British nationalist culture and those now required to defend a popular culture. If Keynesianism was based upon the attempt to increase participation in the state, then monetarism is based on a new strategy for exclusion from the institutions of power. The Government proposals on rate-capping and the proposed abolition of the GLC and metropolitan councils can be seen as removing not only the democratic rights of access to a metropolitan culture and funding, but crucially centralising and increasing the power of the national state over the cultural identity of the regions: more stratified national influence, less democracy.

The state has been around for well over 2,000 years. It is as old as money. We were all born into the state, and the reach of the contemporary state penetrates deep into all our lives. To believe that it is possible to seal off a culturally autonomous zone in the 'community' which is somehow free from the state is a romantic fiction flawed by sentimental parochialism. The recently published book titled *Community Art and the State* (Comedia 1984) by Owen Kelly is an important contribution to the debate about 'community' and the 'state'.

Though any book which outlines the history of the community arts movement is welcome, Kelly's theory of community or the state fails to tackle the important connections between so-called professional/amateur practices and the development of local, regional and 'national' cultures. Kelly's analysis, to be fair, is not one of sentimental parochialism, and there are some useful sections on the market in the book, but it is his failure, for example, not to have the

a view of the state as a manager of capital that leads him to ignore the pervasive decasualisation of labour within the cultural field.

Thus in Britain we do not recognise that culture is something which the state has very much to do with. The field of culture, popular or otherwise, is frequently thought of as a matter of civil society, self-cultivation, i.e., something which the state should keep out of. Britain, because of its extensive commitment to liberal-individualism thinks that culture is the cultivation of the private individual, an elusive personal world rather than a complex social, economic and political structure. The pervasiveness of this ideology is most in evidence in its effect on the recording of statistics for arts funding.

Britain does not see the need to maintain central statistical records and what statistics are available are of variable quality. In Britain the arts field is seen as indefinable and any attempt to measure it cannot begin to represent its essential quality.

Even the first ever publication of arts statistics *Facts About the Arts* (September 1983) by the Policy Studies Institute, though important, adopts a pragmatic approach which leaves questions of definition, i.e., 'arts', 'recreation', 'entertainment', 'sport', 'media' and policy untouched, unquestioned.

The state has always had a stake in culture, and particularly the culture of the people. Since the 19th century an increasingly powerful source of cultural policy has been the state. Indeed it could be said that the state's relationship to the market has been at the centre of all cultural relations since that time. It is in the 19th century that people began to realise that the distribution of goods, including cultural goods, could not be left to the possessive individualism of the market. Just as the state began to engage in areas of social reform so it intervened powerfully and directly in the cultural arena. The system of cultural relationships which had typified the 18th century did not just change of its own accord in response to the supposedly neutral requirements of 'industrialisation'.

Clearly the structural changes associated with the shift to an increasingly industrialised form of capitalism brought about both a physical separation and cultural separation of the classes. By the end of the 19th century the middle classes, alarmed at the increased separation of the classes, sought to counteract it by creating a new kind of public cultural space, paid for out of the public purse: state provided locations such as public parks, libraries, historic houses, museums, which aimed at providing leisure of an 'improving' kind. It is in the 19th century, the heyday of Empire, that a new conception of a 'national culture' emerges. (Together with the development of a national language, 'standard English' and a national literature.)

The construction of a national state is no doubt a condition of the formation of national capital, where economic and cultural capital are constantly in exchange. Britain's rise to mercantile dominance and the processes of generating surpluses of wealth which set both economic and cultural development in action, were founded on the slave trade in the Americas in the 17th century, and India, Latin American, etc., in the 18th and 19th century.

In each of these phases, an economic and cultural chain, to be blunt the imperialist chain, has supported the foundation of one flourishing British urban culture after another. Hence, the cultures of these satellite countries have been and remain indissolubly linked to the development of the urban, regional cultures of Britain. Any future arts and recreation policy will fail unless there is a fundamental recognition of the SIZE OF THE STATE i.e. that it is both too big to perform those functions which are the responsibility of the civic (local) state; and too small to control the excesses of the media companies operating in the international state, particularly the EEC.

The Market and Popular Consumption

All too often in debates about culture and cultural policy, the economic relations of cultural production are rarely discussed together with its regulation by the state. It is not just important that each has a powerful role to play, but that it becomes impossible to understand the production of culture at all without an understanding of the ways the state and market interact.

At the beginning of the 20th century the state is playing a much larger role in social and political life in general. For the first time you get the major encroachment of a new principle: that the state must represent the interests of the community as a whole through its involvement in the cultural area, e.g., whereas in the last century popular communication had been regulated by the market, in the 20th century the state intervenes to set up institutions like the BBC, BFI and later the Arts Council.

In the way popular communication in the 19th century had been regulated by the market, so today we tend to believe that the best way to maintain a representative Press is to expose it to the unregulated play of those who can accumulate capital fastest. Here, freedom is equated with market freedom. But this definition of freedom is not democratic but commercial. The commercial Press hastened the separation of the society into two publics: an elite and mass public, e.g. 'Top People Read the Times'. But the notion of a 'a public' was now mediated through a class-cultural relationship where freedom acquires a very restricted meaning, i.e.:

Freedom from: State intervention
Freedom to: Compete and Survive



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Freedom for: The Laws of Capital Accumulation

and in the leisure industries:

Freedom to: Consume

The theory that culture should be largely organised on a private choice/private profitability/market competition basis remains a powerful one. Indeed, it may have come back to haunt us. But it remains a theory of blood-letting where the ultimate freedom is the 'freedom' to go bankrupt.

The contrast between 'democratic' and 'totalitarian' societies is frequently drawn around this free press = freedom of opinion = free market idea. Even though the British state plays a much smaller role in cultural matters than other European societies, where it does play a role attempts are made to obscure the state's implication in policy matters.

For example, look at the wide range of non-elected, self-perpetuating cultural quangos which all assume an elected image by calling themselves "councils".

The Arts Council,
The Sports Council,
The British Council,
The Press Council,
The Schools Council, etc.

The article in *The Observer* of 28 August 1983 by a former Secretary General of the Arts Council shows the increasing politicisation of such bodies, deeply involved in party politics but with that involvement obscured by a non-elective structure.

Clearly, the state intervenes within the production of culture at every level, and the interaction of the market and the state has effect at every level. Production for the market involves the conception of the cultural object (artwork) as a commodity and of the artist/sportsperson, however else defined, seen as a particular kind of commodity producer. There are different phases of commodity production. However, all involve production for simple monetary exchange; the work is offered for sale and is bought and is thus owned. The relationships between cultural producers and cultural industrialists are based on legal enforceable relations of contract, copyright and royalties. The state may assert the criterion of 'cultural' importance as a reason for exempting certain goods from taxation, e.g., the zero rating of books but not records means that 'Playboy' bears no VAT, but you pay 15% on a Beethoven symphony or on theatre tickets. The state may also act to protect home markets against international competition, i.e., in the film industry and in cinema exhibition.

Raymond Williams in his book *Culture* (Fontana 1981) offers four examples of the types of social relations of producers involved

in commodity production. Very briefly, he lists 'artisanal' where the producer is independent and offers her/his work for direct sale. Second, 'post-artisanal' with two phases distributive and productive, e.g., a painter's relation to a gallery would be seen as distributive post-artisanal and in the case of popular music the productive post-artisanal phase has long been established. Third, he identifies the relations of copyright and royalty, particularly centred on forms of publishing as a 'market professional' phase. The fourth phase is described as 'corporate professional' where salaried professionals are employed, e.g., particularly in the cinema, radio and television media.

Though not all relations of cultural production are assimilated to the terms of the developing market, production *for the market* – especially in the four examples quote above – takes priority over all others. Here the cultural process is more about creating audiences than it is about producing cultural artifacts and performances.

Despite the drive to maximise audiences/consumers the market, working in contradiction, also tries to limit access to the cultural commodity. The attempts by the market to maintain the uniqueness or scarcity of cultural products – the costs of reproduction being minimal compared to the original cost of production – generates high levels of piracy, as is now the case with records, videos, books etc.

The contradictory tensions between audience maximisation and the creation of artificial scarcity point to the central characteristic of the cultural market (industries) and the policy implications of its cultural processes. Above all other policy issues the key point is that it is cultural distribution not production that is the locus of profit and power. Access to distribution is central to any development of cultural plurality. This is a fundamental policy issue because if it could be said that the cultural politics of the 1960s were centred on the development of new forms of production, it could also be said bluntly that perhaps in the 1980s the culture is over-produced and that the emphasis should be less on producing more cultural artifacts, but more on creating new publics through wider distribution networks. Whilst the arts are frequently identified with consumption (spectatorism), in sports there is an increasing shift to production in terms of 'amateur' participation. Consumer expenditure on cultural goods and services has been rising as a proportion of total expenditure and in manufacturing employment this has meant more jobs particularly in the Literary/Publishing, Film/Video and Sports sectors. Indeed, the Institute of Employment Research estimated that for the period 1980-90 these would be the fastest growth areas of employment nationally – increasing nationally by 30%.

Many in the arts, recreation and sports sectors, including many on the Left, believe that culture

must not be sullied by contact with the market. Of course participation in the new market culture was and is very one-sided and its interests often run counter to more "welfare-based" state provision. But as an article by Stuart Hall (*Marxism Today*, January 1984) pointed out:

... it (the market) transformed the lives of many working class, and other women, who would never have come into the labour market or broken some of the domestic drudgery without modern appliances in the home ... Middle-class socialists, heaving under the weight of their new hi-fi's, their record collections, their videos and strip-pine shelving, cheap prints and Chinese lanterns sometimes prefer 'their' working class poor but *pure*: unsullied by contact with the market.

Even within the capitalist mode of production the market has acted on occasions as a liberating force, e.g. the creation of the novel, newspapers and the working class seaside holiday in the 18th and 19th centuries.

Obviously, much more needs to be said about features of the market derived from a given structure of ownership as different from the features of the capitalist mode of production derived from labour as a market commodity.

My purpose here is to show the extent to which consumer capitalism did reshape social relations and the levels of popular consumption in the state and market sectors. The accompanying statistics show that even in deep recession participation in the market is not a minority experience. Indeed, the majority consume their culture (leisure, recreation, sport, art etc.) in the market sector.

The Labour Market and Forced Leisure

The various cultural industries compete in the same market for labour. Individual film-makers, writers, musician or electricians may move in their work from film, to TV, to live theatre. The electronic engineer may work in manufacturing or broadcasting. The journalist may work in newspapers, periodicals, radio or TV.

As a result of these levels of integration within the Cultural Sector a shift in one place affects the structure of the whole sector. The introduction of a new TV channel, such as Channel 4, restructures the broadcasting, film and advertising market in specific ways. Even more, of course, will this be the case with Cable and Satellite services. The introduction of a new colour supplement has repercussions upon the finances of other publications, but may well also have cross-effects on broadcasting revenue. The same holds true for public intervention. The major form of public cultural intervention and funding (and consumption) is in broadcasting: e.g. the BBC spends more per annum, on cultural workers than the combined

national public expenditure on culture including libraries and museums. Not only are the broadcasting industries the major cultural patron, even more 'traditional' cultural forms such as films, records, books, sports are increasingly dependent on broadcasting control, exposure, representation. Indeed, the general pattern of cultural development is towards an increasing integration and dependency of cultural forms e.g. books and exhibitions; theatres and cable TV; music and video, on each other and the marketing apparatus of the media. As a major policy area we must stop looking at cultural forms/media in isolation, and begin to recognise how rapidly capitalist society is turning the culture/leisure field into an industry, into a production process for the enlargement of capital and the provision of more cultural commodities for popular consumption. Indeed, it is a sad fact that many of the national and local tourism policies developed in the UK, speak almost wholly in terms of sales of commodities and marketing rather than any social or ethical concern for cultural diversity.

Hence, intervention by the state to create and maintain jobs in the culture and leisure industries is done in recognition of some of the damage done by major corporations when operating in the cultural market in limiting choice and diversity. In the past, state funding has not sufficiently recognised the need for intervention in the market, where most people consume their culture, to ensure that jobs or work are protected (there is extensive exploitation of de-casualised labour in the arts as the film union ACTT has pointed out) to ensure cultural diversity and an economic base for alternative, ethnic and women's cultures.

And yet we must be aware of even the most basic obstacles. The Local Government Act, and in particular sections such as 137, 142, 145, etc, has worked to obstruct many of the cultural initiatives begun by radical local authorities. Dominant definitions of 'commercial', of 'cultural', and crucially the definition of 'profit', are often applied by legal and finance departments in ways that are debilitating to innovative and job-creating cultural policies.

It is important to develop understandings not only about the needs for legislative change in areas such as broadcasting, the Arts/Sports Councils, the Local Government Act, metropolitan authorities with levying powers on the media, etc, but also concepts of leisure as social control. Indeed, the Latin origin of the word 'leisure' means 'to be allowed to'.

For an increasing number of the population forced leisure is equivalent to unemployment. People are not unemployed because they are unemployable but because they are deemed to be 'surplus' to the requirements of capitalist production. The unemployed are attached to the cultural market but are deprived of the individual purchasing power that would enable



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them to participate in it by consuming the commodities and services that they are encouraged to want by the organs of capitalist marketing and commerce.

Making workers unemployed is a choice for employers and governments and is not a technological inevitability, but forced leisure – unemployment – is not simply reproduced as a social phenomenon. Leisure itself is a two-edged sword which operates to both reproduce and undermine capitalist society. The process of increasing de-skilling in industry poses major structural upheavals in class, race and gender relations and diversity in the culture, it penetrates to the heart of the 'identity of the people' and for this reason is central to the way power and control operates in society.

A sense of who 'the people' now are (culturally) is also fundamental to any political party winning an election.

The Family and Unemployment

Earlier I mentioned the trend for cultural consumption or leisure to withdraw into the home and family. This shift or return to the home often serves to reinforce or reintroduce the most oppressive patriarchal relations where the functions of domestic labour condition even the possibility of women's leisure into a rigid unwaged structure. And there is little recognition of the home as, for men, the site of leisure and, for women, something to be escaped from, the site of unwaged work. The following extract from a paper by R. G. Hollands at the Centre for Contemporary Cultural Studies, 'Working Class Youth, Leisure and the Search for Work', gives some idea of this patriarchal relationship working as part of everyday experience.

The Government's attempt to actually reduce youth wages has had an effect on the leisure activities and goods they could afford to purchase.

Yet, despite the crushing effect of the substitute wage on consumption and adult transition, the lads do manage to create both time for leisure and enough picket money to go out on a Saturday night. My major argument here is that this is only possible through the exploitation of the patriarchal family structure via a distribution of the wage packet.

This point is illustrated most graphically when one contrasts these different expectations between being unemployed and working on the scheme.

BH (...) Since you've been on the training scheme have you had to do anything different at home, than when you were not working? Like do...

Billy I haven't 'ad to do housework.

BH You didn't have to when you were unemployed?

Billy I didn't have to, bit I helped... now we got an excuse, 'I go to work, why should I go to work and come back and do anything?'.

BH Is that the same as you guys?

Mick Yea, she (his mother) didn't see you working' before, she didn't give a hell about yuh... 'make yer own dinner'. Now that yer goin' to work it's on the table.

Billy Yea, yer mother respects yuh now (...). It's a welcome break for us though... 'cos we get some sort a pride out of it.

Through the use of diaries and various conversations, it was quite evident that even the minimum domestic work undertaken during periods of unemployment was discontinued as soon as work was undertaken. Mothers were expected to cook all the meals, clean the house and perform virtually all the domestic work. This was also true in cases where the mother worked outside the home and even in one extreme situation where the father was unemployed. If the mother was physically incapable of getting home to start the preparation of dinner, the duty then usually fell to the eldest or only daughter.

None of the women I interviewed really questioned the fact that a fair proportion of housework was expected of them, nor did any of them remark that these activities impinged on their leisure time. Essentially it was their 'experience of unemployment' which led them to the acceptance of certain roles and duties around the household. This is not to suggest, however, that these roles are entered into blindly, but rather they are occupied creatively – the work is done efficiently and quickly so spaces for enjoyment can be carried out.

Carolyn, unemployed and living at home, explained her reasons for doing housework and how she scheduled the work to her benefit in this exchange:

Carolyn Oh yes, I hate housework (laughs). But it's, it's boredom really, yuhsee (...). It's just to keep my mind occupied really, yuh know, yuh gotta do all these things.

BH How much would you do in a day? Would you do work at home every-day?

Carolyn Well, I git up in the morning and Foh everything done, git it out the way. And if I need to go to the Jobcentre or anything I'll git that, yuh know. I'll plan a day ahead, see what I'm gonna do.

BH (. . .) Sometimes do you have to do things at home when you think 'I'd rather be out doing something?'

Carolyn No, not really . . . 'cos you can always do it another day really. There isn't anybody really tellin' you how long you've got to do it, yuh know . . . yuh know, yuh don't really have to do it. Yuh just want to because there isn't anything else to do, yuh know.

Another young woman in a similar situation to Carolyn explained ' . . . I just like to do it in the morning, and in the afternoon I just watch telly . . . or I go up to town'. The irony of the situation is that it is precisely because this group has the potential to experience leisure, that they fail to seriously question the level of 'expected' domestic work or their engagement with traditionally feminine household chores. In this particular case, the spectacle of the 'leisure society' would appear to hold little promise for young unemployed women."

Despite the overwhelming impact of long-term unemployment and state training on the restructuring of 'family' and 'youth' as social categories, there are human responses and resistances by the unemployed themselves.

Any cultural policy or planning must take into account the specific experiences of particular classes, genders, races and age groups in its formulation of an alternative culture. There is no solution within the trappings of an idealised 'leisure society', and even less within the oppressive and pervasive pragmatism which is embedded in the 'we have no need for policy' anarchism of much leisure planning and most local government arts and recreation departments.

Crucially, the issue is about engaging with the unemployed, strengthening their existing cultural experience, and mobilising political support for the reorganisation of cultural production/distribution, family and identity.

The preservation of identity in threatened inner city neighbourhoods is fundamental in areas where even the pattern of many industrial towns is centred around factories that have long since been closed by multi-national companies who have found it more profitable to divest themselves of workers and machinery alike. Jeremy Seabrook, in his important book *The Idea of Neighbourhood*, suggests:

With this intensified disintegration of the whole reason for existence of these older industrial areas, it becomes far more difficult for people to unite than it was when it was against a more tangibly harsh and oppressive system (in the '30s). It is harder to bond together in the face of an *absence* than it is in the direct presence of exploiters and oppressors . . . The tendency has been, not for people to intensify their unity and

solidarity against these new forces that seem to govern our lives, but to break against them, to turn inwards, to absorb the ideology of capitalism and seek personal salvation.

Seabrook, whilst questioning whether it is possible to recreate this collective unity, especially against such abstract forces, nevertheless sees the regeneration of neighbourhood as central to the struggle. He says:

For it is within a very painful and difficult setting that the people who have set in train the regeneration of neighbourhood have gone to the heart of the way we live now. It is only a beginning; a first and tentative step in the cementing of a solidarity that is the only weapon of those who have nothing but their labour – and their spirit and heart and intelligence – and who are called upon to fight the great global empire which capitalism controls in the declining years of the twentieth century."

It is my view that this statement is seminal to the development of any progressive cultural policy, for within the sub-text of this quote lies all the issues of, say, why devolution may preserve the status quo, whilst a strongly centralised policy at *metropolitan* level can support regional communications networks and the cultures of the unemployed, the elderly, women's and gay/lesbian groups, together with a strong commitment to popular culture. And how would these metropolitan and local structures interact with a Ministry of Culture?

These are seminal questions of planning, policy, cultural politics and politics. They underscore the civil rights message of the 'right' of oppressed groups to represent themselves culturally, to have 'a voice' as E. P. Thompson says.

GLC Public Cultural Policy

In times of recession, spending on the arts and sports seems a natural target. Yet that expenditure is vital. For not only do cultural projects provide jobs, but they also help people retain some sense of self-identity when they need it most. For historically, the very notion of 'London' itself (and being a Londoner and all that means) is a cultural construction. A wide range of cultural forms including nursery rhymes, literature, architecture, painting, football, greyhound racing, music film have all given London its modern identity. The South Bank complex has its origins in the 1951 Festival of Britain which was very much an attempt to reconstruct a popular cultural identity after the trauma of the second World War.

The large GLC South Bank festivals, Thamesday, South Bank Day, May Day and the Easter Parades have brought as many as a quarter million to a half million people together.





with a broad range of social groups involved in an equally broad range of cultural forms. The London Marathon is another major GLC event which helps develop/support a vital popular cultural identity.

The cultural practices and forms of distribution support by the GLC's community arts, ethnic arts and sports sub-committees are based in the popular forms of pub theatre, local publishing, open access film and video, music/sound recording studio, estate-based projects, combined sports and arts projects etc. It is these social forms of cultural production and distribution which are now threatened.

The GLC has also adopted a policy of 'Cultural Entryism': Essentially the degree to which large cultural institutions e.g. like the Royal Festival Hall in London or the Crucible Theatre in Sheffield or the Usher Hall in Edinburgh can be developed as sites for popular cultural forms. This is the background to the successful 'Open Foyers' policy on the South Bank.

Ironically what is not threatened are those cultural forms such as opera, the classical theatre, the classical music tradition, which, though important and necessary, actually do not relate to that crucial process of consistently re-defining popular experience which the more social forms do. A city without a living culture – and the resources to support it – is nothing more than an economic rack on which to break people. The present 're-organisation' of cultural funding will turn the clock back to a 'two nations' emphasis on high culture, where the pleasures of the better-off will receive even greater subsidy and the majority will be left with the privatised leisure technologies: video nasties and wall-to-wall Dallas on cable television.

It is not possible here to give a detailed summary of every area of cultural policy at the GLC. Nevertheless, it is important to give some idea of the central rationale of what has been done, and crucially what are the projected policy objectives for the next few years. Following the two public consultation conferences in November 1981 and May 1982 the community arts and ethnic arts policies were initiated in September 1982. Following the Sports Conference in December 1982 the sports policy was established in March 1983. The time scale is 15 months and 8 months respectively. In policy terms it could be said to be early days. However, a number of central objectives and, definitions and issues have emerged which will inform future developments.

The general policy objectives for the community arts, ethnic arts and sports committees are:

(a) CULTURAL DISTRIBUTION

There is scope for developing a popular communications and distribution structure

based on new uses/new types of local and regional centres. These could contain library facilities, exhibition spaces, meeting spaces, community bookshop and or film screening facilities, photographic archive of local/oral history, sports facility, workshop/tools, laundry, nursery, etc. This proposal would involve a move away from over-production and the concentration on production, towards the creation and identification of new cultural spaces, i.e., joint arts and sports projects are already encouraged. A programme of placing media workers in new cultural sites such as research and educational agencies for the elderly, youth, for womens and black rights campaigns, has been systematically pursued. This project does mean a shift in resources from certain dominant forms such as theatre, painting or opera towards more open forms, e.g., community bookshops, independent film, TV and video networks, photography, posters and publishing projects. Certainly, there is no form that intrinsically has more democratic access than another, but the suggestion here is that it may be more powerful to work in publication and say TV, since it is here that dominant ideology is diffused. The majority of the population do not go to listen to Schoenberg's music or watch Brecht plays, but most have a family or sports album. In this area a number of policy initiatives are underway: The Black Arts Centre (Roundhouse), Theatre Resource Centre, Centre of Contemporary Cultural History, community based circuit of distribution and exhibition for film and video, TV.

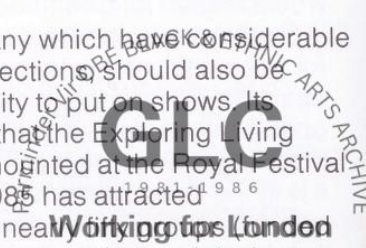
(b) CULTURAL HISTORY

Cultural forms are constitutive of and constructed in history. History is not only selective in the sense that a definition of ideology is 'partial history' (in both senses), and all cultural forms are ideological. History is also selective in the maintenance of a particular 'heritage': often a ruling class heritage which excludes or obscures the history of women, black history, the elderly etc.

Hence the proposal is to establish 'A London Museum/Centre of the 20th century' in a central London venue.

Central to the idea of the museum would be the consolidation of a decade of work by many groups in the area of popular culture. This is not to say that this work would be taken away from the communities that has produced it, rather it would act as a showcase that would bring their work in front of a wider audience.

Local archives, many which have considerable but underseen collections, should also be given the opportunity to put on shows. Its interesting to note that the Exploring Living Memory Festival mounted at the Royal Festival Hall in February 1985 has attracted contributions from nearly 100 groups (funded by GLC).



Another important aspect of the museum would be that bits of it would be constantly out in the community. Widespread use should be made of touring exhibitions, video and film shows, tape/slide shows and the like. Many alternative tours could also be arranged for tourists.

London as London needs to be explored, revealed and celebrated.

The centre would function both as a media centre and as an archive of working class history, black history, etc. Smaller scale cultural archives may be set up as satellites of the central distribution centre.

(c) CULTURAL TRAINING

Traditionally, few black people or women have managed to break into the white, male dominated employment field of the cultural industries. One of the most frequent reasons given for the absence of black people and women in this field has been that they do not have the necessary training or qualifications. If the dominant position of white males in the cultural industries is to be challenged it is necessary to provide training opportunities for black people and women. The GLC has already taken a number of initiatives in this area, setting up training courses for ethnic minorities in journalism, and in sports and recreation management. These initiatives will be expanded where appropriate and larger theatres and institutes approached to ask that they provide comprehensive training leading to permanent employment.

Training and employment of black people in the arts professions were two of the major concerns expressed by the participants at the Ethnic Arts Conference held in May 1982. Provision for training facilities was seen as a major priority leading to the achievement of equality in the arts.

Arts Administration and Management

As a response to the basic training needs of black arts groups and organisation operating at community level, a series of short courses in Arts Administration and Management have been developed in consultation with the Polytechnic of Central London (PCL). A specialist Training Development worker was appointed to co-ordinate the project, identify students for the courses, and help publicise these courses within the black communities. The project, which is based at MAAS, has met with tremendous success with all the courses running so far being fully booked. The main benefactors of these short courses have been people already working with black arts groups and organisations.

Short Courses in Film and Video

A series of short courses in film and video for black and ethnic minorities have been running

at National Film and Television School as part of their short course programme. The courses, which began in August 1984, have been running at National Film and Television School as part of their short course programme. The courses, which began in August 1984, have been well-received, with 100% take-up of all the courses. Many of the students attending these courses have been found attachments with established television and independent production companies. An advisory body consisting of professionals from black film and video workshops, independent Production Companies, Black on Black and Eastern Eye, ACTT and Channel 4 has been set up to help in the selection of the students for each course to suggest potential names for tutors. The advising body is also responsible for monitoring the effects of the courses and for advising on future strategies for black people in film and video.

Short Courses in Radio and Print Journalism

A series of short courses in radio and print journalism was sponsored through the Black Media Workers Association and the Polytechnic of Central London (PCL). The courses were aimed at assisting black people already working in the media, especially the black press, to develop existing skills and to acquire new ones. The short courses were followed by a one-year full-time course in radio and print journalism sponsored by the Commission for Racial Equality. Many of the students attending the short courses were able to apply and were accepted for this full-time scheme. On completion, many of the students have found full-time employment in the mainstream radio and print media. The first year course, which had the support of the main unions, was so successful that it has been agreed to repeat the course again.

(d) ANTI-RACIST INITIATIVES

The main objectives of the Anti-Racist Arts Initiatives and Programmes has been to raise the consciousness of mainstream arts institutions and sports and community arts, against racism. The main focus has been to challenge the institutions which exhibit, stage, screen, publish arts generally and to make them aware of their roles and responsibilities towards black arts. The emphasis has been on getting mainstream arts institutions and community arts and sports organisations to address themselves to the issues of marginalisation, access, content, form employment, training, representation of black people in administration, management and decision-making process.

In addition to the above policy initiatives aimed at redressing the imbalance of employment and representation of black arts in mainstream arts, a number of direct arts events have also been organised. These include: Anti-Racist Film Programme, GLC Writers Competitions:



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Anti-Racist Murals, Exhibition of Contemporary Black Arts: Anti-Racist Concerts at Queen Elizabeth Hall and Crystal Palace Bowl, and Theatre in Education Company touring anti-racist plays in schools.

A series of lecture/seminars are planned with the objectives of encouraging a dialogue between artists of black and white communities, as well as white communities, as well as an ideological debate about the role, function and future development of black arts in Britain. A conference examining the contemporary issues of race, media and politics is also planned for the coming year.

The GLC has been the first local authority in the country to develop a policy for black arts and so respond to the needs and concerns of black artists with actual resources. It is the first authority which developed a structure which allowed black artists to participate in the decision-making process and enabled black artists to be involved in policy formulation.

The policies adopted by the GLC for the support of black artists have not only benefited black arts in London but have also influenced the policies of local authorities and other metropolitan councils. In addition, many of the black groups funded by the GLC have been able to take their work outside of London, thereby helping local groups to organise and fight for resources from local and regional authorities.

These new approaches to public cultural policy are motivated in part by a realisation of the growing economic importance of the cultural sector, and in part by the perceived inadequacies of traditional approaches to cultural policy which at best act as a temporary band-aid of almost total irrelevance to the health of the patient and which are also in large part an attempt to prop up a largely 19th century structure of cultural practice, to which the majority of citizens are wholly indifferent.

I'm Yosser Hughes . . . I Can Do That!

Perhaps these are some of the questions. Other have been fundamentally raised by the miners' strike. For me the occupation of Croxteth School in 1983 in Liverpool – which was run by parents for almost nine months – raised crucial cultural issues about 'the state we're in'.

The cry in 'Boys from the Blackstuff' – 'I'm Yosser Hughes . . . I can do that' – sets the market and the state against 'their' culture. The unemployed can resist, with help and solidarity, but only if their culture is recognised – only if within the anger and resentment of popular militancy there is a space for Yosser. In the Croxteth occupation working people gave it all they'd got . . . they saw for the first time that they 'could do that'.

Resistance to structured inequalities carries an

informal political content. But importantly, the forms of resistance are oblique and coded. They are coded through the 'popular', so that popular culture can be seen to constitute an area for conversion of dominant meanings to resistant meanings. This is done in largely symbolic ways, since the basic economic inequalities are not actually overcome. It is in the symbolic process that the emptiness of the economic exchange is invested with personally identified and collectively shared meanings. And yet culture is *materially* constructed. The miners in mobilising popular resistance were forced – because of dominant control of the media – to seek alternative/oppositional forms to express themselves culturally; through new forms of distribution, new 'audiences', i.e. some thousands of video tapes on the strike, distributed extensively through the trades union movement.

When the parents and kids of Croxteth Community School marched on Liverpool Town Hall with their banner (made and donated by a London arts group and delivered to the school occupation group), it said:

'GIS OUR SCHOOL BACK'

It wasn't just a recognition that actors from 'Boys from the Blackstuff' had supported the parents occupation committee – it asserted the demand for a cultural space, an identity, work or a job as no more than inalienable civil rights for all.

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