

# MN4267 Seminar One

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*Are the creative industries different from other industries? If so how and why? How relevant is Horkheimer and Adorno's critique of the culture industry?*

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All technological progress and just about every human endeavour since the beginning of time has involved embodying creative steps into material arrangement – this is hardly surprising given that this process, fundamentally speaking, is that of evolution itself<sup>1</sup>. In this sense, ALL industries are creative – even conveyancing, probably one of the most monotonous & tedious of the high paying jobs in the western world, has some creative steps involved. For this reason, and quite rightly in my opinion, most societies have issue with the idea of a creative industry at all – for everything is a creative industry, so it is pointless to draw such an arbitrary line.

However, if one uses the primary economic output as the deciding factor, one generates a list of industry sectors not too dissimilar from the typical Anglo-Saxon attempts at delineation. Most human industry, thanks to the dismal science of Economics, is (numerically) in terms of material output i.e.; quantities of physical items such as shampoo, bread or cars. Such physical items are fundamentally different from *information* items such as music, films, books or newspapers because the human-perceived main content of their value is not their physical transmitting medium eg; CD's, DVD's or paper, but rather *in the meaning which they generate in the minds of their consumer*. From an Economic standpoint, logically speaking this is a meta product, as the physical product is the metal, plastic or paper which transmits the information and thus invokes the meaning.

There is something very special about information goods, and that is that they can be replicated for near-zero cost. Every loaf of bread costs fixed costs plus per unit costs which lead to a declining marginal cost per extra loaf of bread, but only as low as the per unit costs of production. Information goods however cost a lot for the very first copy, and thereafter cost almost nothing to replicate as many times as you like i.e.; it has high fixed costs and negligible per unit costs which means that average cost per unit could approach zero. This, insofar as I understand things, roughly corresponds to what creative industries are supposed to be.

This causes certain problems in the traditional context. For one thing, there is high positive marginal benefit to duplicate information while there is negative marginal benefit to duplicate physical items as one is competing against higher economies of scale. In other words, it pays people to copy information with no obligation to pay the creator. The most traditional example of this is the second hand book market – a person buys a book, reads it (thus taking a copy), then sells the book on such that countless further people gain copies of the information while the writer gains no payment. This is manifestly unfair economically speaking – after all, books illustrating a way of halving operating costs have been written and the authors have barely scraped a fraction of the cost reductions to society. Now with the internet capable of transferring exponentially rising amounts of information for ever cheaper prices, the only reason to pay anyone at all for information goods is purely convenience or ignorance. Fear of the law, or regulation will simply generate better ways of hiding information exchange, all the while authors lose out as the enforcers, self-declared as those only capable of enforcing information scarcity, grab an ever increasing slice of the profits.

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<sup>1</sup> One fifth of embodied innovative steps are step-change, four fifths are incremental. This statistical profile matches the evolutionary profile of language (Atkinson, Meade, Venditti, Greenhill, & Pagel, 2008), computer software, genetic (Pagel, Venditti, & Meade, 2006) and economic behaviour (Ormerod, 2005).

A common definition of creative industries is “the generation and exploitation of intellectual property”. As a formally trained computer engineer, I have been exchanging information (that is after all precisely what computers do: manipulate information) over the internet since 1994. I find intellectual property (IP) law such as copyright and patents laughable in this context, because even to look at a web page *requires taking an entire copy of it*. The same goes for watching a DVD or listening to music – internally, the computer software has several stages of decoding and buffering and thus *several copies of the information exist simultaneously*. IP law was designed decades, sometimes centuries, before its blatant silliness became so obvious – and yet our societies persist in this stupidity because the profit margins appear to be so high<sup>2</sup>. Also, to be honest, the established power elites are extremely scared that for the first time in history, their monopoly of manipulating information scarcity is in severe threat – in the last decade, most of the gag orders issued by the British government against the press have been nullified by the internet – witness the recent debacle concerning Wikileaks and of course the venerable cryptome.org<sup>3</sup>.

Regarding Horkheimer and Adorno’s critique of the culture industry, I personally find it utterly irrelevant. Much of what they rail against is actually the post-WW1 influence on corporate America of Edward Bernays<sup>4</sup>, yet as is typical with this neo-Marxist blather they refuse to admit that society *chose* to become consumers, they *chose* to be manipulated much as they *chose* to become Nazis, or Communists, or whatever – because **when one does not act to stop something, one implicitly chooses it** (as noted by Anne Frank). Their utter belief in the quality of the proletariat were it unrepressed by the weight of capital, makes it seem impossible to them that the German people did intentionally run the death camps because they did not *choose* to *stop* running the death camps<sup>5</sup> – instead, they collectively pretended it wasn’t happening because it was too horrible to accept. This hardly makes the German people wicked – every single one of us right now deliberately & intentionally sends to death fifteen million people who die worldwide each year from easily preventable causes<sup>6</sup>, because if every Western citizen donated just one dollar per week, not only would those fifteen million people be saved, but the entire bottom sixth of the worldwide population would be lifted permanently out of grinding poverty<sup>7</sup>. Seeing as we have been killing a good fifteen million or so per year for many a decade, *and we know we’re doing it*, I think that rather puts the nature of our society in perspective i.e.; we are not nice people, and the Nazis are far more an idealised example of us than something aberrant. Like most Marxists, they can’t see that Marxism is just Nazism flipped over – the opposite side of the same, cruel coin – and better to blame “the system” than the people who tacitly support, and thus create it.

In this context, one can see that people really like *convenient* denial of reality. They like comforting repetition, nice stereotypes repeated over & over like a soothing lullaby, preferably by celebrities whose self-hatred and consequent self-destruction makes the masses feel better about their sad little lot in life<sup>8</sup>. The culture industry therefore is giving

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<sup>2</sup> Actually, it costs society money every time information is *not* copied. It is long overdue to scrap this system for intruding into & controlling people’s lives, and replace it with a simple system which proportionately rewards content producers for their contributions to society. I propose just such a system in the book I am currently writing called *Freeing Growth: A Neo-Capitalist Solution to Climate Change and Social Ills*.

<sup>3</sup> Both are sites for publishing secret information the power elites do not wish published. There is a lot of noise over signal on such sites, but if nothing else it is valuable in seeing the depths of the human mind & depravity at work.

<sup>4</sup> Edward Bernays was the nephew of Sigmund Freud and in large part invented modern public relations, most especially psychologically based advertising.

<sup>5</sup> Perhaps I am being unfair here – Horkheimer & Adorno wrote in 1944, and I suppose it is possible they had no idea given they had fled the Nazis nearly a decade beforehand. However, Horkheimer was Jewish, both moved in Jewish circles in New York, and thus I find it rather hard to believe they didn’t know – at least subconsciously.

<sup>6</sup> Source: World Health Organisation. Note these figures reflect 2001 values, the latest currently available.

<sup>7</sup> However, they would then have many more children, thus vastly increasing the death toll & misery in the future.

<sup>8</sup> Witness the recent media furore over the decline & fall of Britney Spears. She is the latest in a long line of publicly reported self-destructions e.g.; Marilyn Monroe.

people **exactly** what they want, so why blame it for society's ills? Their critique seems far more to me to be a critique of modernity rather than culture, replete with their personal hang-ups about nudity and sex, but here's the nasty little truth in it all: modern society, for all its obvious evils, is the best humankind has ever produced – and it is so precisely because it obviously displays the faults, shallowness & patheticness of humans back onto itself via mass media. Now we finally have some idea of what our problems are, can we begin to do something about it – and best of all, the looming climate change crunch will finally motivate us to stop behaving like self-destructive teenagers, to grow up and start behaving responsibly – or else we all die. From this standpoint, Horkheimer and Adorno's critique just looks like crankiness.

## **Bibliography**

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