

'It is in cities that the multifaceted intersections of culture and globalization are most keenly felt, and most creatively responded to. Comprehensive in thematics and ambitious in scope, this volume is an essential guidebook to understanding the shaping and making of culture and cultural policy in our urbanized world.'

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'This is a significant volume that firmly situates the discussion about globalization, cultural production and the challenges for policy formulation in the dynamic, slippery and ever shifting terrain of the contemporary urban condition.'

Rahul Mehrotra, Professor and Chair, Department of Urban Planning and Design, Graduate School of Design, Harvard University

Today is a new metropolitan age and for the first time ever more people live in cities than they do anywhere else. As cities strengthen their international and cultural influence, the global world is acted out most articulately in the world's urban hubs – through their diverse cultures, broad networks and innovative styles of governance. Looking at the city through its internal dynamics, this book examines how governance and cultural policy play out in a national and international framework.

Making a truly global contribution to the literature, editors Isar and Anheier bring together a truly international and highly-respected bevy of scholars. In doing so, they skillfully steer debates beyond the city as an economic powerhouse, to cover issues that fully comprehend a city's cultural dynamics and its impact on policy including alternative economies, creativity, migration, diversity, sustainability, education and urban planning.

Innovative in its approach and content, this book is ideal for students, scholars and researchers interested in sociology, urban studies, cultural studies, and public policy.

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THE CULTURES AND GLOBALIZATION SERIES 5

CITIES, CULTURAL POLICY AND GOVERNANCE

Edited by
HELMUT ANHEIER
YUDHISHTHIR RAJ ISAR



The Cultures and Globalization Series brings together essays examining the reciprocal relationships between cultural change and globalization. Too often the emphasis is placed on the impact of the latter on the former – this Series aims to readdress the balance. Over the course of 5 volumes, the key contemporary topics in the cultural field are covered: from identity politics and the creative industries to cultural expression, heritage, memory and city cultural governance and policy. Written by leading experts as well as emerging scholars from all the geocultural regions of the world and various distinct disciplines, the essays offer a range of different conceptual views of contemporary cultural change, thereby providing a platform for students and academics to engage in open debate. Furthermore, they are complemented by a variety of empirical 'indicator suites' rich in colour and graphics, which present quantitative data in a highly innovative, accessible and engaging way. As a result, *The Cultures and Globalization Series* is an indispensable reference tool for students of contemporary culture.

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THE CULTURES AND GLOBALIZATION SERIES, 5

CITIES, CULTURAL POLICY AND GOVERNANCE

Helmut K. Anheier and Yudhishtir Raj Isar, Editors

Michael Hoelscher, Guest Editor

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COMMUNICATION NETWORKS, CITIES AND INFORMAL ECONOMIES

Ramon Lobato



The global city is conventionally defined as a central hub in a network of flows – of capital, people, goods and images. However, if we shift our focus away from the formal indicators of economic power and towards the grey and black economies, we encounter a rather different map of global connectivity and cultural provision. The chapter considers the relationship between informal media distribution and formal cultural policy, with reference to circuits of media piracy in Asia, Africa and Latin America.

Introduction

Long concerned with studying government support for and regulation of the arts, cultural policy analysis

is undergoing a reorientation as scholars turn their attention towards entanglements of the governmental and the cultural that take place outside the realm of policy *per se*. As the gap widens between the 'cultural sector' (museums, galleries, libraries, heritage institutions and arts organizations) and everyday sites of cultural engagement (from football fields to *Facebook*), new directions for cultural policy analysis are emerging. One indicator of this shift is the recent decision of the *International Journal of Cultural Policy (IJCP)* to complement its ongoing analysis of arts and culture policies with a focus on 'implicit' cultural management operating outside the realm of formal state programmes.¹ For *IJCP*, there is something to be gained from 'reaching back behind the contemporary coining of the term "cultural policy" to explore how sets of policies that could not be thematized in these terms can nevertheless be usefully understood as implicit forms of cultural policy' (Ahearne, 2009: 147). We can therefore add to the now-familiar list of objects of cultural policy analysis (arts and culture ministries, public service broadcasters, performing arts companies, heritage organizations) an array of other actors, including religious institutions, media corporations, non-governmental organizations and industry bodies.

This chapter is similarly concerned with implicit policy, by which I mean regulation, prohibition, subsidy and management that does not form part of official public policy programmes. I want to push this line of inquiry a little further, however, by considering *systems of regulation in informal rather than formal cultural economies*. What might it do to the field of cultural policy analysis to consider its constitutive 'outside', that which appears (at least at first glance) to be un-policed, un-governed and un-regulated? What can this reveal about the diversity of mechanisms for cultural management inside and outside the realm of official state policy? If one consequence of the globalization of the cultural economy has been to generate increasing difference and diversity – sometimes in tandem with

cultural standardization and synchronization – then it follows that a globally-focused cultural policy study should have a corresponding attention to the diverse surfaces upon which cultural governance and control is enacted worldwide. Many of the regulatory technologies which shape how people around the world express themselves and collectively make meaning are not inscribed in policy, law or planning, yet they have very real consequences in terms of the cultural life of populations. If cultural policy analysis is to be effective as a mode of critical transnational inquiry as well as an instrumental strategy of policy evaluation, then we must take seriously the everyday forms of control that shape cultural engagement in settings where such activity occurs out of view of formal cultural institutions.

Let me illustrate this point with an anecdote. Each year for a few weeks in winter, a popular film festival takes place in Melbourne, Australia. It is a major event on the regional film calendar and attracts an array of stars, filmmakers, overseas distributors and interstate tourists to its black-tie opening night party. The festival is held across a number of cinemas in the central business district (including a public screen museum, the Australian Centre for the Moving Image), and is bankrolled by a patchwork of state, federal and local agencies and private sponsors. The official face of international film culture in Melbourne, it is the focus of much debate and gossip in cultural policy circles every year as local commentators scrutinize its programme for signs of innovation, imitation, populism or elitism. However, if you take a short stroll south of the festival precinct in the CBD, you will pass numerous DVD stores stocking imported discs of dubious legality. Among the shelves full of TV dramas and music videos, you can find subtitled copies of many of the films 'premiering' around the corner on the big screen, along with an array of other content. The discs are cheap and the subtitles unreliable, but films are often available months before they screen at the festival. Walk a little further and you pass groups of students huddled in coffee shops and walkways, chatting, smoking and playing with their phones. Some are watching short videos from *YouTube* or full-length features downloaded from file-sharing networks, and video content is swapped over coffee while tips about torrent servers and download speeds are exchanged.

Oblivious to the expensive state-funded spectacle around the corner, this sphere of cultural circulation

does not show up in UNESCO statistics or urban revitalization documents. It does not attract tourists or contribute to city-branding efforts. But it does supply people with a daily diet of images and sounds, circulating diverse ideas, symbols, values and styles to equally diverse populations. In Melbourne, as in so many cities, the institutions of the cultural sector – the museum, the library, the gallery – find themselves outflanked by alternative spaces for popular cultural engagement. These spaces are not within the scope of explicit cultural policy,² yet they perform many of the same functions as their formal counterparts. It is important to appreciate the organizational and regulatory dynamics of these circuits if we wish to understand emerging patterns of cultural engagement and consumption.

This chapter examines some of the regulatory systems governing these informal cultural landscapes. My specific focus is on the circulation of media commodities (primarily film and books), and my frame of reference is the heated debate about intellectual property (IP) and piracy that is such a strong feature of contemporary media policy. In many cities, street vendors, informal trade associations, small-scale networks of cultural producers and sometimes even criminal organizations are the key actors in cultural regulation, rather than public servants and policymakers. Cities are hubs for informal media economies, and the relationship between urban culture, media circulation and informality is frequently co-constitutive (Sundaram, 2009).³ This chapter surveys recent studies of informal and extra-legal media circuits across a variety of sites, drawing on literature in sociology, anthropology, media studies and policy studies.

Culture, media and informality

Thinking about cultural and media policy in the way described above requires a framework for understanding how cultural commodities circulate outside established, legal channels. The rich body of social science literature on informal economies offers such a model; it is one that is used widely in development and anthropology debates, but sparingly in cultural research. The benefit of this model is that it allows for the comparative analysis of economic and cultural systems that may otherwise appear incommensurable. Before proceeding further, it may be

helpful to define informal economies and trace their roots in research and policy, for many of the early debates that formed around this idea have much to offer media and cultural policy discussions today.

The informal economies model originates in economic anthropology, sociology and development economics of the 1970s. Although definitions vary from study to study (cf. Hart, 1973; Feige, 1979; Sassen, 1994), informal economic activity is generally understood as unmeasured, unmonitored and untaxed forms of production and exchange, or as economic activity outside the regulatory gaze of the state. This idea was first popularized in studies of urban unemployment in Africa, including an International Labour Office (ILO) report (1972) on Kenya and a paper by the British anthropologist Keith Hart about urban economies in Ghana (Hart, 1973).⁴ The conventional wisdom at the time was that urban unemployment in third-world cities posed a threat to stability and modernization efforts, and was best managed through large-scale development initiatives. The research by the ILO and Hart helped to make the case that the economic space understood by planners as 'unemployment' also comprised a vast number of alternative income-generating activities: hawking, small-scale commodity production, market vending, street performance, bartending, security work, begging, hustling, etc. The aim of informal economies research was to bring into the discussion these invisible income-generating activities and to take seriously their economic functions.⁵

This research was important because it cut across and reorganized the binaries that structured the theory and practice of development. In Hart's definition, the informal economy encompasses the modern (backroom electronics repairs) and the traditional (small-scale urban agriculture), the licit (cash-in-hand babysitting) and the taboo (crime, prostitution). Thus economic regulation is not limited to state policies, but also includes other forms of ground-level management and prohibition. Seeing economies through the lens of formality/informality rather than traditional/modern, rural/urban or legal/criminal also renders visible modes of exchange and circulation that are obscured by a focus on institutions and bureaucracies. Indeed, in the regions where this research was taking place – East Africa and West Africa – informal employment was a central rather than marginal component of national economies: it was the *norm* rather than the exception. As Hart put it, 'When half of the urban

labour force falls outside the organized labour market, how can we continue to be satisfied with indicators of economic performance which ignore their productive activities?' (1973: 88).

In the same way that the informality model was able to reorganize development and economic policy debates, so too can it contribute positively to debates in cultural policy at a time when global communication infrastructures are undergoing dramatic change. Debates around intellectual property regulation, territorial copyright, access to knowledge and digital divides could all potentially benefit from such an intervention. Since the 1970s, progressive voices in intellectual property and media policy debates have sought to rewrite international trade pacts, reform global economic institutions, and lobby powerful governments to redress persistent inequalities in global flows of information and cultural commodities.⁶ The aim was to create distribution structures and regulatory frameworks which might foster a new, more democratic and equitable global communications infrastructure; the emphasis was on reform through formal policy processes. However, until recently, little attention has been paid to the *actually-existing distribution infrastructures* that carry out some of these tasks in the informal realm, or the regulatory frameworks governing them on a day-to-day basis. There is therefore a need to examine ground-level informal economies of content distribution as well as the overarching frameworks of explicit policy.

This is why any serious analysis of global media flows from a cultural policy perspective must take into account pirate networks. For much of the world's population, black and 'grey' markets provide access to a world of media – books, CDs, films, software, games – that is either not legally accessible or not accessible at an appropriate price. Yet the vast majority of the policy literature around media piracy has been about how to eradicate piracy for the benefit of copyright holders. Although a handful of policy reports have attempted to push the intellectual property debate in a different direction (Huygen et al., 2009; Karaganis, 2011), these voices are outnumbered by a much larger corpus of instrumental policy research which seeks to boost intellectual property rights, minimize violations and consolidate the evidence base linking piracy to organized crime (see IFPI, 2006; OECD, 2008; Rand Corporation, 2009).

Just as the discourse of 'unemployment' worked to obscure all the other ways in which people make

a living outside salaried labour, so too is the idea of 'piracy' – defined negatively as copyright violation – working to obscure the many other policy issues arising from the informal circulation of media. There is therefore a need to rethink the conceptual categories that organize and delimit the discussion, in the same way that the informal economies model was able to productively reboot the debate about 'unemployment'. One way to do this is to reframe piracy as informal media circulation. This involves asking new questions: Who is making money from these circuits and how are they doing it? What audiences are formed here and how are they formed? How are these circuits managed and controlled? What kind of data or other information is needed for effective policy development in this area? The point is to analyze actually-existing infrastructures and assess their capacity for cultural engagement and provision, rather than to let the debate be driven solely by the imperative of top-down formal governance. Attention can then shift to the implicit forms of cultural management already at work in informal media economies.

Informal economies are rarely anarchic free markets where anything goes. Many informal circuits are subject to sophisticated forms of control, management and organization, some of which have nothing to do with explicit state-driven cultural policy. The challenge is not to see pirate or other extra-legal circuits as outside governance *in toto*, but to see them as differentially governed – largely by informal means. The next section examines some of these invisible regulatory technologies.

Informal regulation as implicit cultural policy

Informal media economies are subject to different forms of regulation, and thus different varieties of informal cultural policy. City-level, national, international and transnational forces all play a part in shaping what kinds of cultural experiences are possible in these spaces, and what commodities are made available and unavailable to populations.

Pirate markets and street vendors

Let's begin at street level, for the street is a key 'strategic site' of the informal media economy.⁷ Street markets, roadside stalls, hawker stands – these are vital spaces of global media distribution and consumption. From Kuala Lumpur to Guangzhou,

Hanoi to Sao Paulo, as well as in first-world cities like New York and Rome where the urban informal economy is quite visible, streetside media is a feature of daily life. Ravi Sundaram writes of Delhi's informal street vendors and media markets as 'a vast new mediascape', which 'envelops cities like an all-pervasive skin' (2009: 5). CDs, movie soundtracks, DVDs, VCDs, books: all are ubiquitous, cheap, abundant, fixtures of the urban landscape. For much of the world's population, this is a key entry point into global media flows.

There is a longstanding tendency within public policy discussions to view street-level commerce as a zone of lawlessness and criminality. Industry groups and institutions of global media governance work to construct street-level media trade as the outside of legal media consumption, a kind of Wild West where anything goes. It is common for US trade representatives visiting East Asia to hold press conferences where they brandish fake Hollywood DVDs bought from local street stalls, presenting these as evidence of the lack of regulation which characterizes their host nations (Pang, 2006). There appears to be no cultural policy here, no intellectual property governance. The street is a kind of free-for-all, a carnival of illicit entrepreneurialism.

Yet street-level media trade is subject to many forms of regulation, even though these may be invisible from a bureaucratic and institutional perspective. The ability to participate is tightly regulated and a great deal of behind-the-scenes work goes into making these markets function effectively. Researchers in India, a nation with an estimated street vendor population of 10 million (Bhowmik, 2006), have mapped some of these regulatory dynamics. They note: 'City spaces are valuable and highly coveted. Operating on a street corner involves deals with not only civic authorities, but the local goon and the political protector' (*Seminar*, 2000: n.p.; see also Bhowmik, 2000, 2006; Singh, 2000; Rajagopal, 2004). It is rarely the case that a vendor can simply pull up a cart by the streetside and start selling their wares. Space must be rented and one's vending rights are subject to constant negotiation, regulation and interference. Informal modes of regulation to which vendors are subject include daily payments to local authorities (*tehbazari*), bribes to police and municipal officers, payment to other hawkers and community leaders, extraction of protection money by local mafias, payment of interest to money lenders, and so on. It is

estimated that many vendors pay 10–20 per cent of their daily income in rent (Bhowmik, 2000). Where vending is not legally protected, vendors are subject to even higher rent extraction. Clearly, these are not common techniques in the conventional repertoires of cultural policy. Yet they perform many of the same regulatory and revenue-collecting functions, controlling who can participate in these cultural markets and under what terms. The flow-on effect is to shape – if implicitly and indirectly – the availability of cultural goods.

There are also multiple avenues for organization and activism among vendors. These constitute additional layers of informal self-governance and co-governance, foregrounding the fact that regulation is not just a top-down process. One option is for vendors to consolidate themselves into ‘vote banks’, mobilizing their voting power to realize local outcomes. Many seek and receive protection from political parties and lobbies. Street vendors in Mexico City, for example, have long been a power base for the PRI (Institutional Revolutionary Party). Others join local cooperatives to pool their purchasing power, or pay dues to vendor associations who negotiate on their behalf with the authorities. More formal means for organization include trade unions, which may be active at local, city, regional and national scales. Once more, India provides many examples: in Mumbai there is the Pheriwala [Street Vendor] Action Committee in Mumbai; at the national level there is the National Association for Street Vendors of India; and so on. A range of other advocates and NGOs also represent informal sector workers, including the Self-Employed Women’s Association. Given the centrality of street vendors within the cultural economies of nations such as India, these organizations need to be understood as informal cultural policy actors.

The regulatory dynamics of street-level media trade vary from one part of the world to the next. Within any nation and any city, different forms of control co-exist. Yet there are common features that provide grounds for transnational comparison. As Cross and Morales (2007: 11) argue, street vendors ‘around the world do recognizably similar things, but not always in the same way or for the same reasons’.⁸ Crucially, there are always forms of invisible governance at work, and these function as implicit cultural policy in shaping the cultural consumption of populations and the working lives of the traders involved in these networks.

One could argue that because these layers of control and management do not directly involve the state, they do not constitute policy. But this is not entirely accurate. Municipal authorities and national governments are involved at many different levels of the street media economy. The vast majority of vendors around the world make payments to local authorities, in the form of (legal) trading and licence fees or (illegal) bribes. The police must constantly be paid off to keep them on side. Often this means that vendors must negotiate with many different layers of law enforcement: the local authorities, the traffic police, the state police, etc. In this way, the pirate media trade is actually quite heavily taxed, albeit indirectly. In effect, street pirates subsidize the state, which benefits financially from their activities.

Hybrid economies

The informal mediascape includes not only pirate networks but also ‘hybrid’ media circuits which combine elements of licit and illicit production and exchange. These circuits are significant from the perspective of cultural policy because they arrange the formal and the informal economies in novel combinations, revealing points of intersection and interdependency, and raising a series of questions about appropriate regulatory responses. They also foreground questions about pricing levels and business models which are of relevance to media policy debates more generally.

A striking example of a hybrid media economy is the Nigerian video industry (often referred to as Nollywood), which produces between 1,000 and 2,000 movies a year, rivalling the output of Hollywood and Bollywood. Cheaply and rapidly shot, Nigerian videos have become the quintessential popular culture form for urban Africa. They are consumed voraciously and in large numbers by audiences right across the continent, who buy VCDs (video CDs) from local street markets. Economically, Nollywood is one of few bright spots in Nigeria’s moribund petro-economy, creating thousands of jobs and sustaining its own star system. Nigerian actors such as Jim Iyke and Genevieve Nnaji are now superstars throughout Africa and the diaspora.

As Brian Larkin (2004, 2008) has documented, the success of this industry can be traced back to its innovative distribution system, which *grew out of pre-existing pirate circuits* and which over time has evolved into a semi-formal network which returns

revenues to producers. In the following passage, Larkin describes how the distribution system works in northern Nigeria:⁹

Nearly all of those who might be described as pirates were at the same time involved in the duplication and sale of legitimate media, and the organization that emerged made Kano the regional distribution center for electronic media in northern Nigeria and the wider Hausaphone area (which covers parts of Chad, Cameroon, Benin, Ghana, and the Sudan). The system is this: the main dealers are based at centers in Kano, like Kofar Wambai market. They then sell to distributors in other northern cities, and these in turn supply smaller urban and rural dealers who provide goods for itinerant peddlers. The system is based on a complex balance of credit and trust; and although it depends, in part, on piracy, it has evolved into a highly organized, extensive distribution system for audio- and videocassettes. (2004: 295)

As Larkin notes, distribution of Nigerian videos is characterized by intricate and informal negotiations between distributors/marketers, their local representatives, and thousands of street and market vendors. In recent years, copyright enforcement by producers and state agencies has also become a feature of the industry (Nwauche, 2003; Jedlowski, 2010). Increasingly, the Nigerian Copyright Commission and the National Film and Video Censors Board are active in monitoring street markets and video clubs for infringement – with mixed results. In this sense, Nollywood represents a hybrid pirate economy, moving from an informal mode of organization (a key factor in its rapid growth) towards a semi-formal one.

Latin American cities are home to similar hybrid media circuits. One frequently cited example is the *tecnobrega* music scene in the city of Belém in northern Brazil, where informal distribution of CDs functions as a marketing strategy for live concerts (Mizukami and Lemos, 2010). Hundreds of albums of this high-energy pop/dance music are produced annually, using samples cribbed freely from local and Western tracks. Producers give the copies for free to street vendors, who then sell them on to consumers for a nominal price (US\$1–\$2). In addition to showcasing the skills of the producer, the CDs also promote upcoming street parties, which is where the producers make their money back.

The popularity of *tecnobrega* events is enormous, with thousands of parties and concerts held every month (Lemos and Castro, 2008). The whole economy is informal, operating outside conventional recording and touring practices, and it relies on a dynamic mix of original and appropriated content.¹⁰ The distribution networks, governed by tacit agreements between producers and street vendors, are efficient and extensive. The *tecnobrega* economy is attracting increasing attention from copyright reformists in Europe and the USA, who see in its flexible structure alternative futures for mainstream content industries (e.g. Bollier, 2009).¹¹

These are two examples of indigenous creative industries operating outside established media business models. They rarely figure in policy discussions, precisely because they are not integrated with formal policy programmes. Yet there is much we can learn from their precedents. Both offer textbook examples of how to use culture as a driver of economic growth, and in this respect they have something to offer the voluminous cultural policy and creative industries literature on this topic (e.g. Barrowclough and Kozul-Wright, 2008). There are lessons here for other debates as well. If we define cultural policy not as the science of arts funding and urban regeneration but as the art of enriching the cultural life of communities and providing affordable access to texts and technologies of self-representation, then a different set of priorities and questions emerge. It is to these that we now turn.

Informal networks as civic infrastructures

One area that has received little sustained attention is the potential for informal media economies to function as drivers of cultural engagement, rather than as unruly forces that need to be disciplined, formalized or eradicated. To focus on these aspects is to move the debate from questions of creative industries development models to questions of cultural citizenship. With this aim in mind, I now offer some examples of how informal media networks facilitate forms of cultural provision that would not otherwise exist, due to market failures and lack of effective distribution infrastructures.

Book piracy in the developing world offers a useful point of interest here. In many Asian and Latin American nations, cheaply photocopied books provide poor communities with access to a world of

ideas and information that would otherwise be off limits. Alarcón (2009) has examined the dynamics of book piracy in Peru, an organized, efficient and mature industry that is estimated to employ more people than the legal publishing industry. The Peruvian pirates are speedy (books appear on streets days after, or even before, their official release) and their reach is extensive, especially outside the capital, Lima. As Alarcón notes, 'There are vast swathes of the country with no formal bookstores' (n.p.). Pirates operate within these gaps. They have increased poor communities' access to the written word, and they have also reintroduced into circulation forgotten and out-of-print texts which have fallen through the cracks of the legal publishing industry. While there is no doubt that book piracy has eroded the economic base of the legal book trade, making it very difficult for local publishers to compete, the impact of the

pirate economy on literacy levels should not be underestimated.

These pirate infrastructures¹² constitute an informal counterpart to the state-funded 'cultural sector', the reach of which is typically far more restricted. This is not to say, however, that the state is not involved in these infrastructures in other ways, nor that these networks do not create other problems. In Peru, as elsewhere, pirate economies have at times been actively supported by the state for political purposes. Alarcón notes that in the years of the Fujimori regime the government promoted piracy in order to undermine dissident publishers and local intellectual elites. This political project was aided by economic liberalization policies that opened Peru to a flood of cheap, imported technology to the detriment of local publishers. Here we see entanglements between state power and the informal economy that are characteristic of many media systems (see Box 2.1).

BOX 2.1 Formal–informal interdependence in Russia

As new research by Olga Sezneva and Joe Karaganis has established, piracy 'is not just a drain on the cultural economy in Russia – it is one of the primary forms of that economy and is woven into a wide range of licit practices, forms of enterprise, and patterns of consumer behavior' (2011: 154). Music, software and film piracy is the default means of media access throughout the former Soviet bloc. This reflects the prohibitively high prices of legal media goods as well as the relative novelty of intellectual property rights regimes in post-communist societies.

Copyright enforcement in Russia, as in most nations, is selective. A series of raids and crackdowns in 2006–07, conducted for the benefit of trading partners (principally the USA), has not significantly reduced pirate consumption. Rather, this enforcement effort appears to have concentrated pirate CD and DVD reproduction in the hands of a smaller number of politically protected manufacturers. Anti-piracy raids are used as a way to silence political dissent: NGOs are raided on the pretext of copyright violation, their computers confiscated and their emails pored over by the security services (Levy, 2010).

Notwithstanding these sporadic regulatory incursions, state involvement in – and support for – the pirate economy is a constitutive feature of the Russian media landscape. There is a 'web of police and security-service protection' for pirate disc factories, the largest of which are housed within military bases and nuclear power plants (Sezneva and Karaganis, 2011: 153). Guarded by government security forces, these factories are subject to political patronage. Some also produce discs for the legal market, illustrating the extent to which Russia's formal and informal media economies are integrated.

While these conditions reflect the specificities of post-Soviet Russia, with its unusual pattern of state–market relations, they are also indicative of a more general interdependence between the state and the pirate economy. In Russia, there is no clear divide between the formal and informal spheres. Intellectual property law, as a formalizing technology (Thomas, 2010), reorganizes relations between a variety of 'grey' actors, creating market opportunities and monopolies for some and driving others deeper into the black market. Cultural policy operates in the spaces between the state, legal media markets, and the informal economy.

Table 2.1 Cost of three book titles as a percentage of average income in South Africa, India and the USA

Country	<i>The God of Small Things</i>	<i>Long Walk to Freedom</i>	<i>Oxford English Dictionary</i>
South Africa	0.0046%	0.0069%	0.0134%
India	0.0117%	0.0273%	0.025%
USA	0.0002%	0.0003%	0.0005%

Source: Liang and Prabhala (2006)

The public-good aspects of piracy are taken up in other research. Liang and Prabhala (2006) have examined informal media economies in Africa and Asia, focusing on their relations with legal book markets. Table 2.1 compares the average retail price of selected titles in legal bookstores in India, South Africa and the USA, relative to average annual income levels in each country. Liang and Prabhala (2006: 110) come to the following conclusions:

One: absolute prices of [legal] books can be higher in the [global] south than in the north. Two: consumers in the south have to commit significantly higher proportions of their income to consume these books. Three: if consumers in the United States had to pay the same proportion of their income towards these books as their counterparts in South Africa and India, the results would be ludicrous: US\$1027.50 for Mandela's Long Walk to Freedom and US\$941.20 for the Oxford English Dictionary.

For Liang and Prabhala, the pirate economy is a solution to this pricing problem.¹³ They stress that India's thriving pirate economy – fuelled by cheap imports, local IT industries, internet cafés and copy shops – means that all the books mentioned above can be bought on the streets for the equivalent of \$1–\$2, or photocopied for less. So the access-to-knowledge question raised by the pricing strategies of Western publishers is effectively sidestepped by moving the exchange into the informal economy.

As research like this demonstrates, informal media networks provide various kinds of civic, cultural and pedagogical goods and services which in more formalized settings would be the responsibility of the state or the market space of regulated industry. Effective public policy would benefit from attention to the public-good aspects of informal media economies – the contribution to literacy rates of pirate books and pirated DVDs (with their suspicious

but usually serviceable subtitles), the productivity benefits generated by pirated software, and so on – as well as revenue leakage for producers.

Implications for formal cultural policy

How, then, can formal institutions of cultural governance develop appropriate policy responses to informality? What are the opportunities and challenges?

One issue that makes developing policy around informal cultural economies difficult is the lack of credible data. Entertainment industry lobby groups (such as the Motion Picture Association, the International Federation of the Phonographic Industry, the Business Software Alliance) produce empirical research on pirate economies to provide ammunition for anti-piracy and IP enforcement campaigns. There is precious little alternative evidence on which to draw.¹⁴ The point of studying pirate flows empirically would not necessarily be to establish the scale of pirate trade in different nations: from a cultural policy perspective, this is not the main question. There are other things to consider, such as the affordability of pirate goods in relation to legal media pricing, and the adequacy or inadequacy of informal infrastructures to supply a diverse range of content to audiences. The first of these issues – the global pricing problem for legal media commodities – is beginning to attract some sustained attention (Liang and Prabhala, 2006; Karaganis, 2011). However, there is less evidence available about the kinds of content that circulate and do not circulate through pirate channels.

For example, it could be quite useful to know whether Thai films or Vietnamese books or Canadian television programmes are more or less widely available in pirate economies than they are in formal legal outlets, and at what price. This would be relevant not only for analyses of the cultural

preferences of national audiences (perhaps there is a bigger audience for some kinds of local content than we often assume?), but also for debates around cultural trade. To illustrate this point, let me return to the Nigerian video economy. Until 2009, when UNESCO started counting Nigeria's video releases in its global movie production surveys, there was almost no empirical data about the size of the Nigerian industry that had currency in international policy circles. As a result, Nollywood remained 'off the map' of global cultural policy. What other regional media powerhouses and emerging industries might reveal themselves if we had appropriate indicators for measuring informal flows? What else might we learn about the relative popularity of local versus imported product in various parts of the world? What implications might this have for models of cultural imperialism and cultural globalization within social and cultural theory?

It can be argued that informal street economies in developing nations are as vulnerable to cultural imperialism as formal channels. Looking at the range of DVDs in pirate stalls in Latin America, one could easily come to the conclusion that Hollywood is as dominant here as in the multiplexes. But this is not the case everywhere. For example, the pirate economy in Indonesia is building new audiences for old Indonesian films that have long been out of print, creating new niche markets for these movies through informal circulation.¹⁵ The relationship between national cultural policy objectives and informal economies is not clear-cut. Sometimes pirate circuits work as invisible agents of cultural diversity, and sometimes not. Either way, it is worth taking seriously the proposition that in certain situations cultural policy objectives may be realized by informal circulation.

While drawing attention to possibilities of engagement between formal cultural policy and informal cultural economies, it is also necessary to be realistic about the problems of informality. Informality produces unforeseen consequences for cultural policy, which may reach beyond the specific field of media regulation and into other spheres, such as tourism and heritage. Consider the trade in touristic trinkets and postcards in Italy, sold informally near historic sites and cathedrals. Revenues from merchandise based on officially licensed images of these sites (official postcards, posters, t-shirts, and so on) contribute to maintenance and preservation efforts. With state budgets struggling to keep pace

with the costs involved, heritage sites increasingly rely on such commercial ventures. But many traders choose instead to sell cheaper, pirated merchandise, which reproduces official photographs without authorization or payment. Piracy thus damages the preservation and restoration of the sites themselves, with implications for their long-term viability.¹⁶ This example of revenue 'leakage' involves a clear conflict between formal cultural policy initiatives and the informal media economy, presenting a rationale for intervention to stamp out unauthorized exchange. There are many other examples of informality's deleterious effects on heritage and cultural policy that we could mention here.

This raises questions about whether informal media economies should be managed through top-down policy, and the means by which this may be achieved. While the answers to such questions will always depend on the specific context, some general observations are possible. Policy intervention in informal economies typically has the effect of subjecting informal activity to greater oversight and scrutiny. The end result is to bring informality further into the realm of regulation, taxation and measurement. So policy engagement with informal economies, especially in the form of direct regulation, ends up fundamentally changing the way they operate. Sometimes this kind of policy intervention is needed. Informal media economies create problems at the same time as they offer solutions: exploitation of workers (especially women and children) is rife in the informal economy, especially in street trade. Informality facilitates the exploitation of the vulnerable and erodes the power of organized labour. Appropriate policy responses to situations such as these must be decided on a case-by-case basis.

However, it is not just about a choice of whether or not to regulate. There is also a deeper epistemological question here about what counts and does not count in policy deliberations. In the case of the Italian cathedrals, an attention to the dynamics of informality could potentially expand the category of 'heritage industry' to include the pirate postcard economies, understanding these not just as criminal activities, but also as ancillary industries which provide employment for many people within the cracks of the formal economy. While their activities are antagonistic to cultural policy objectives, the people working in these capacities still deserve an

empirical presence in policy analysis. Thus the category of 'cultural sector' often needs to be expanded to render visible the diverse interdependencies between formal and informal economies.¹⁷

The relationship between formal cultural policy and informal cultural economies is especially interesting at city level. On the one hand, urban informal economies frequently come into direct conflict with urban regeneration and city-branding initiatives. Many cities (especially those with global city aspirations) are cracking down on informal traders with the aim of 'cleaning up the streets'. As inner urban areas gentrify and poor populations are priced out of the market, as branded stores replace street vendors, the character of cultural engagement and cultural consumption changes (Cross and Morales, 2007). These confrontations bring into focus the conflicting objectives of cultural policy, with regeneration initiatives often prioritized over the varieties of informal cultural provision that may be beneficial from the perspective of social or education policy. But this is not the only possible response. Other cities actively promote their informal economies for strategic reasons. 'Slum tours' in Brazil and India, often supported by local authorities, reveal a different kind of engagement with informality – understood here as a marketable marker of urban distinctiveness. The problems with these projects have been well documented, but if anything they gesture towards a different trajectory for urban policy engagement with the informal. It is likely that these strategies will become more common within urban cultural policy repertoires around the world in coming decades.

Conclusion

This chapter has argued that informal media circuits (including pirate circuits) are not outside policy, governance, and regulation; on the contrary, they are linked in complex ways to the state, to the cultural sector, and to mainstream media industries. Existing indexes of cultural trade (UNESCO stats, box office results, etc.) do not tell us the full story. Taking informal media flows into account provides a rather different view of where cultural production is occurring and where it is being consumed. Finally, we should not see the role of policy as being simply to formalize or discipline these circuits, because in many instances they provide cultural

materials that are not available through conventional channels. In many contexts, the key to effective cultural policy programmes and implementation will rely on strategic articulation between the state and the informal realm.

Notes

This chapter draws on my forthcoming book *Subcinema: Mapping Informal Film Distribution* (London: British Film Institute).

- 1 As of 2008, *IJCP* defines cultural policy as 'the promotion or prohibition of cultural practices and values by governments, corporations, other institutions and individuals', whether explicit or implicit (Ahearne and Bennett, 2009: 139).
- 2 They may, however, be governed indirectly through consumer protection laws or internet policy frameworks.
- 3 Ravi Sundaram's book *Pirate Modernity: Delhi's Media Urbanism* (2009) offers a rich and nuanced analytical framework for studying this relationship, to which the present chapter is greatly indebted.
- 4 See ILO (2000) and Hart (2009) for retrospective histories of the development of the informal economies model.
- 5 Hart's research also had a more critical epistemological ambition – to redress 'the unthinking transfer of Western categories to the economic and social structures of Africa' (Hart, 1973: 61).
- 6 Arguably, the first major articulation of this agenda was the NWICO (New World Information and Communication Order) campaign in UNESCO from the end of the 1970s to the mid-1980s.
- 7 I borrow this turn of phrase from Saskia Sassen's (1991) argument about the role of global cities in the international economy.
- 8 Cross and Morales (2007) argue against the use of informality as an analytical framework to understand what happens in street markets and among street vendors, although I do not share their hostility to this approach.
- 9 Nollywood consists of a number of different regional industries, which together make up the Nigerian video economy. The Hausa video industry in Nigeria's north differs in many ways from the Yoruba, Igbo and English-language industries, but the pattern is similar in all cases: pirate copies and originals intermingle in distribution channels.
- 10 The extra-legal dimensions of *tecnobrega* stem from copyright violations in sampling, not from illicit commercial distribution of original content. Liang (2009) offers an important critique of this distinction.
- 11 Another example of a hybrid pirate circuit can be found in Floyd's (2008) research into the pirate economy of Quichua DVDs in Ecuador, which examines the production and circulation of low-budget videos, documentary films and music videos for an indigenous community that rarely has the opportunity to hear their own language on national television. The economy is totally pirate; however,

the producers don't mind as they use the DVDs as a way to promote concerts and other events, which is where they make their money.

- 12 See Larkin (2008) for a sophisticated discussion of cultural infrastructures.
- 13 The 2011 report *Media Piracy in Emerging Economies* (Karaganis, 2011) – to which Liang contributes – develops this argument in greater depth.
- 14 Empirical academic studies of piracy almost always focus on online file-sharing economies, which are easier to

measure via desk research. There is, however, a minor but rich tradition of ethnographic and observational studies of street-level pirate economies within the field of media anthropology (for example, Himpele, 2007; Larkin, 2008).

- 15 Further detail on this can be found in Lobato and Ryan (2011).
- 16 Thank you to Davide Ponzini for this example.
- 17 Of course, this would also have the effect of increasing the size and scale of many cultural industries in empirical 'mapping' studies, which may sometimes be strategically useful.

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