

Digital Futures in Policy and the Cultural Sector in the UK

*Ashley Wong
DOXA, United Kingdom*

ABSTRACT

The global economic crisis has had a widespread impact across the cultural sector in Europe and the UK in the past 5 years. We are now witnessing the rise and fall of the 'Creative Economy' which has emerged in the past 15 years through neoliberal policies. New hope to revive the economy is envisioned in the 'Digital Economy', where policies intend to place digital innovation at the heart of economic growth. In order to participate in the digital economy, arts organizations are pushed to become 'digital organizations'. The Digital Economy presents a number of opportunities and challenges for the cultural sector including standardizing and professionalizing the digital delivery of cultural content, finding new economic models through digital, monetising digital content and building digital knowledge, skills and resources in the sector. What is lost in the new policies is a value in the creative practice that supports experimentation and risk-taking, which is where true innovation takes place. There is a need to re-think the entire cultural and economic system today in the face of a global economic crisis. Despite depreciating funding for the arts, new possibilities can be found in ideas and practices of digital culture and the digital arts.

Keywords:

Digital economy
Arts management
New economies
Digital culture
Open source

Introduction

Through policies of the Creative Economy, first outlined in 1998 by the Department of Media Culture and Sport in the UK, culture and creativity has been proclaimed as the driving force of the economy in the UK (DCMS, 1998). The Creative Economy, however, has shown to disregard the true value of culture and creativity, where artists and creative communities are instrumentalised in the regeneration and branding of cities, and then pushed out in favor of corporate investment. The Creative Economy creates a competitive environment hardly conducive to creativity, and a largely deskilled labour market with highly precarious and low paid jobs. Simultaneously, we see the development of digital in ways that are reconfiguring the social and cultural landscape. We see new discourses of the 'Digital Economy' emerging that place digital innovation at the core of the economic growth and renewal. The Digital Economy aims to build stronger links with the cultural sector and public broadcasting such as the BBC and Channel 4 in the development and delivery high-quality digital content. The partnerships however, are more one-sided and are designed to benefit the development of the commercial media sector to support economic growth with little gain for the content producers and arts organizations. These new policies are not aimed to support creative practice, but rather the interests of commercial media and technology businesses-. Arts organizations are pushed to become more 'digital' in order to compete in the wider economy and are required to raise their level of digital competency and resources. Digital technology is evolving structure and practice of arts organizations that strive to remain relevant in today's digital economy.

In the current economic crisis, arts organizations are facing up to 100% cuts to their budget, where organizations that are seemingly more politically engaged or experimental are strategically cut. Amongst those organizations are a number of digital art organizations including: Folly, Onedotzero, PVA Media Lab, Media Art Bath, Isis Arts and Mute (Boddington, 2011). It becomes clear that when the UK government speaks of the "Digital Economy" it does not equate to supporting the Digital Arts. It is in values and practices in digital culture, where new possibilities for a renewed cultural economy can be found

This text discusses the recent developments of the Digital Economy and its impact on the cultural sector and maps out ways of understanding the current state of the arts in a digital era. We will look at some of the digital innovations and challenges emerging in cultural sector today. We will then explore digital culture that offers ways of thinking about cultural organizing in hopes to open up debate on digital futures in the cultural sector in a time of crisis and change.

The Digital Economy

The Digital Economy has emerged in the UK as an extension of the Creative Economy. In April 2010, the Digital Economy Act passed following a review of the Digital Britain Report that was produced in June 2009. In order to remain economically competitive, the UK positions itself at the forefront of digital innovation where it sits at the core of business and society. Communication channels, and business infrastructures are all being updated to support the latest innovations, which then has an impact on the way we work, produce and engage with each other in society.

So, what does the Digital Economy mean for the cultural sector? The Digital Economy Act outlines policies to improve networks and communication, provide wider access to satellite television, digital radio, high-speed broadband and 3G mobile technologies, and to "boost digital participation" (BBC News, 16 June 2009). Ofcom is given a larger role in the policing illegal downloading by tracking and reporting copyright infringement online through the development of more sophisticated digital rights management systems (DRM). In recent reports, the Arts Council England has expressed a concern on the new Digital Economy legislations on intellectual property. In their 'Response to the Digital Interim report', it state a need "to ensure that they are flexible and responsive enough to enhance rather than inhibit the creativity of artists and the public" and "frameworks are overly complex and ownership of rights is unclear, artists are often being forced to take undue risks or to be overly protective and risk averse, limiting creative ambition and inhibiting artistic innovation in digital media and other areas." (ACE, 13 Mar 2009) The Arts Council England questions the need for a new digital rights agency that would likely be funded by the industry contributors with a strong weighting towards commercial industries that will be a larger stakeholder (ACE, 13 Mar 2009). Strong rights management places limitations on creativity and learning that thrive on sharing and the free remixing work that allows for collective and collaborative innovation to flourish. A fairer model is required that allows artists to control the use of their work, which does not restrict creative practices by the strict enforcement of illegal downloading. Alternatives to copyright have emerged in Creative Commons and free content licensing. At the same time, creative producers continue to struggle to make a living through digital distribution of their work.

For the cultural sector, the Digital Economy opens up new opportunities to forge new partnerships with the media and technology sector. Arts organizations are being pushed to become 'digital organizations' where digital delivery is incorporated into their remit to produce content and engage more audiences. 'Building Digital Capacity for the Arts' is a new programme developed in partnership with BBC Academy to assist organizations in the Arts Council England's National Portfolio to develop knowledge and

“FOR THE CULTURAL SECTOR, THE DIGITAL ECONOMY OPENS UP NEW OPPORTUNITIES TO FORGE NEW PARTNERSHIPS WITH THE MEDIA AND TECHNOLOGY SECTOR. ARTS ORGANIZATIONS ARE BEING PUSHED TO BECOME ‘DIGITAL ORGANIZATIONS’ WHERE DIGITAL DELIVERY IS INCORPORATED INTO THEIR REMIT TO PRODUCE CONTENT AND ENGAGE MORE AUDIENCES.”

skills in the delivery of high-quality digital content. The initiative aims to encourage partnerships between arts organizations and the media sector. New initiatives such as the Digital R&D Fund for Arts and Culture (supported by the ACE, AHRC and NESTA) introduces a fund of £500,000 to support arts and arts organizations that want to work with digital technology to expand audiences and build new business models. This fund aims to encourage and support digital development in arts organizations and start-ups, but is highly competitive. Areas of research that are supported by the fund include: user-generated content and social media, distribution, mobile, location and games, data, resources and education and learning (ACE, 7 Jun 2011).

To compensate for the cuts to the Arts Council England’s budget since the economic crisis, new initiatives have been introduced to encourage partnership with the media and technology sectors to support the development of skills and knowledge to develop high quality delivery of digital content. Arts organizations face many challenges as they attempt to manage significant cuts to their budgets, while attempting to find new revenue models through digital. The following section describes some of the trends and challenges for arts organizations in a digital economy.

Towards a Digital Cultural Sector

In light of the Digital Economy, arts organizations are encouraged to become ‘digital organizations’, where the Internet has become a means to broaden audiences through the distribution of content online, to market and sell cultural products and live events, to generate dialogue and to find new ways of engaging audiences through learning and participation. There is

a growing need for organizations to innovate in order to remain relevant in today’s digital economy. Practices in digital are still evolving and have not yet standardized across the industry. Organizations have varying levels of skills and knowledge, and use digital in a variety of different ways. Organizations are required to keep up with the latest technologies and practices in the digital industry and need to reflect on what is right for the artform and audience of their organization. There are a number of groups and events in London, such as the Art of Digital monthly meet-ups¹ that help facilitate dialogue and knowledge sharing on digital practices within the sector, as well as a number of research initiatives that aim to facilitate learning on digital development in the arts. Reports commissioned by the Arts Council England provide a framework for understanding digital media and audience engagement for arts organizations in the UK. The research proposes a language and way for thinking about a digital cultural sector, however, the role of arts organizations can also be questioned within this framework. The following provides a scope and context for the cultural sector and their level of digital engagement.

In a report by MTM London for their Digital R&D Programme, three levels of digital organizations were identified including:

1. ‘Digital creative organizations that have digital media at the core of the cultural output’ (i.e. FACT and Furtherfield, who have a mandate to support artists working in media and digital arts);
2. ‘Multi-platform cultural institutions that embrace digital media both for audience engagement and creative practice’ (i.e. the Barbican Centre, which offers online content on live programming, as well as an integrated shop) and;
3. Traditional arts and arts organizations that primarily use digital media as a tool to market their live offer’,

¹ <http://www.meetup.com/Art-of-Digital-London/>

Exhibit 10: Categorisation of RFO core sites by purpose and extent of offer

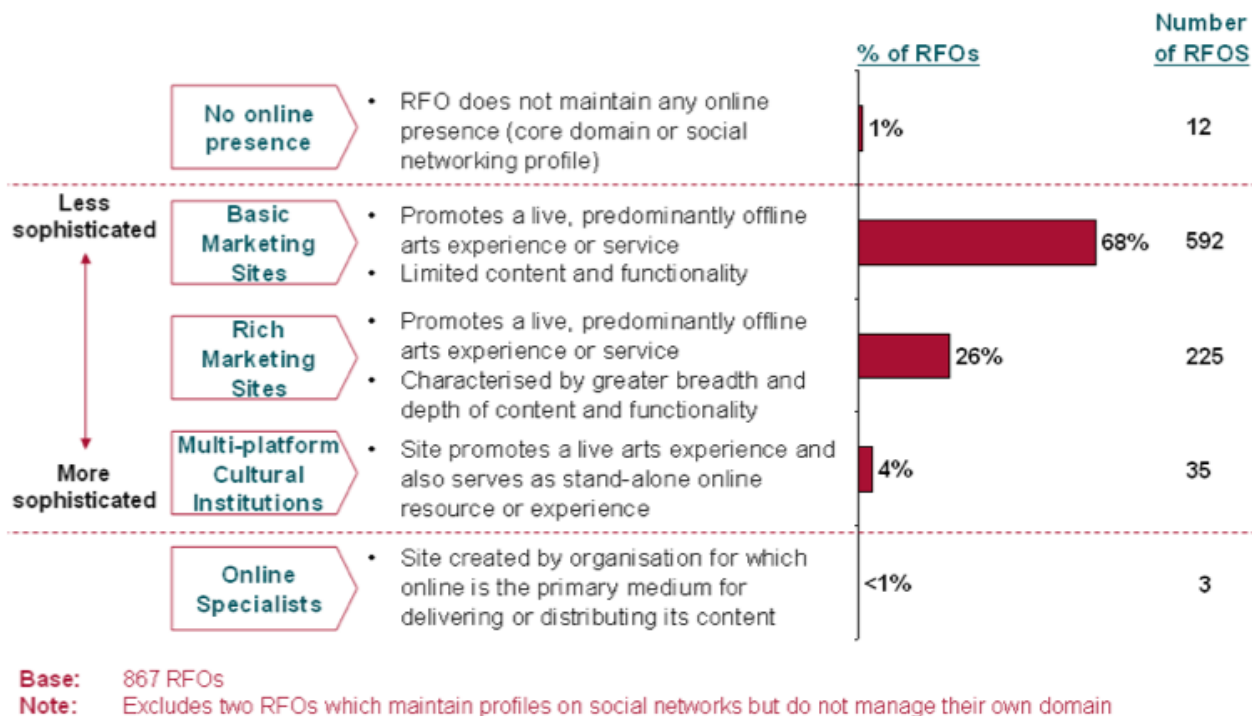


FIGURE 1. DIGITAL CONTENT SNAPSHOT (MTM LONDON, 2010)

which represents most of the Arts Councils national portfolio.

Four primary objectives for arts organizations have been identified including: creative practice, audience engagement and marketing, digitization and distribution, and new business and organizational models. The diagram above (Figure 1) illustrates the current level of digital development of Art Council England’s 869 RFOs.

Currently, 68% of organizations have a basic marketing site and a minimal level of digital engagement. In this case, websites are used primarily for marketing purposes with limited content and functionality. These organizations represent the majority that fit into the category of “traditional arts and cultural organizations that primarily use digital media as a tool to market their live offer”. Nearly all organizations have a website that has basic functionality, where only 1% do not have an online presence at all. More digitally ‘sophisticated’ organizations provide richer content on their website including higher quality video and audio production, which includes not only better quality technical production, but value of the content in building a story or expressing and idea in learning beyond a static documentation of an event. ‘Multi-platform cultural institutions’ are a step up and have a website that has a stand-alone online resource such as a virtual venue or online archive or collection, in addition to their live offer. Lastly, some organizations are ‘digital specialist’, which are organizations that support creative practice involving digital technology and as a result embody

digital in their content and delivery. The level of audience engagement increases with the level of digital development of an organization. Audience engagement with online cultural content can be classified into the following five levels: Access, Learn, Experience, Share and Create.

The pyramid diagram (Figure 2) provides perspective on how online media can be used to engage audiences in incremental levels. On a basic level, websites are used to provide access to information such as i.e. information about the organization, events and programming etc. On a deeper level, a website can provide richer content for learning and developing knowledge and skills of the art form. On the following tier, websites can be used to provide cultural experiences through presenting artworks or performances online, and above that, they can be used to encourage participation through the sharing of content through social media. The top level involves engaging audiences in creation of artworks through games or interactive platforms that enable users to create. This pyramid illustrates the depth of audience engagement for an arts organization online, and helps build an understanding of the current digital developments within the sector. There is a need to rethink the relationship between organizations and their audiences, where audiences are no longer passive consumers of culture, but the creators.

Exhibit 13: Benefits classification framework for online engagement with arts and culture

Note: Based on combined analysis of quantitative and qualitative research data.

- **Access:** discovering what's on, filtering opportunities and planning attendance or participation
- **Learn:** acquiring new skills and knowledge (for example, finding out more about the life of an artist)
- **Experience:** experiencing the full creative or artistic work online
- **Sharing:** using the internet to share content, experiences and opinions
- **Create:** use of the internet to assist with the creative process itself.

FIGURE 2. DIGITAL AUDIENCES: ENGAGEMENT WITH ARTS AND CULTURE ONLINE

(MTM LONDON, 2010)

Digital Innovations in the Cultural Sector

Further more, there are a number of trends and key innovations in digital delivery for arts organizations including: social media, audio/visual content, IPTV and internet TV, mobile apps, games, online archives and resources and user-generated content. What is the impact of these technologies on the practice of arts organizations?

Firstly, social media has had a large impact in the way organizations communicate and build their networks. Social media is used primarily to promote an organizations events and live offer. Channels such as Youtube (or Vimeo), Facebook, Twitter and LinkedIn have become a standard tools for organizations to build and manage their networks and to maintain dialogue with their community. Networks can include audiences, artists and organizations and other professional contacts including funding bodies and academic institutions. Twitter is a conversation tool that requires frequent updating and maintenance, the question often for many organizations is who is responsible for updating it and the kind content should be widely shared. Increasingly organizations are becoming more and more transparent in their everyday practice. Facebook is not as frequently used by arts organizations, but provide a platform to create and share events and build a network of followers. There are also many niche social networks such as Art Rabbit², which provides a resource for contemporary art galleries and organizations in London to promote their exhibitions and events.

LinkedIn is primarily used as a professional network to link up with other organizations and partners and can also be used for recruitment. Many organizations are developing social media strategies in their communications, and exploring ways of engaging audiences via social media beyond simply marketing. Generally, successful use of social media involves not only promoting the organizations' live offer, but contributing useful or interesting information and participating in conversations within the community. An online voice of the organization must be considered, as well as a protocol for dealing disputes online and general PR.

Audio/visual content includes podcasts and videos such as video documentation of events, interviews with artists, and additional content surrounding a live programme. These are relatively easy to produce though can vary widely in quality. Free video and audio services such as YouTube or Vimeo or Soundcloud allow for easy uploading and embedding of content on websites or blogs and sharing on social media. How regularly content is produced and how receptive the audience is to this format can vary according to the organization and their primary audiences. Many organizations today have some form of audio/visual content on their site to promote their live offer, which may include a short preview into the event or exhibition or include an interview with the artist.

IPTV and internet TV provides another channel for video content distribution that is generally longer in length and higher quality. Internet TV is a platform that

² Art Rabbit, <http://www.artrabbit.com/>

allows for the streaming of video programming or online channel for videos. Examples include Fact.TV or BBC iPlayer, which offer a large number of videos, or content series that tend to be more editorial in form. Videos are surfaced through meta-tagging and searching or presented in a blog format that can be more journalistic in form. Internet protocol television (IPTV) provide opportunities for arts organizations to create cultural programming for broadcasting on digital television networks such as Virgin TV and BT Vision. The formats are standardized and high quality for public broadcasting on television networks. The Digital Economy, currently supports partnerships with broadcasters such as the BBC and aims to collaborate with arts organizations in the creation of high-quality cultural programming for digital television. These partnerships intend to build digital skills and knowledge in in the cultural sector through the creation of an arts and cultural channel that also introduces new possible revenue streams for the sector (Art of Digital, 2011). It is seen as both an opportunity and a threat where arts organizations generally get the underhand in partnership with large television networks.

Mobile apps are becoming increasingly important in engaging audiences 'on-the-go'. They are becoming easier to produce and can serve a range of functions for organizations, including as an event listings with regular updates and ticket booking functionality to provide cultural content and learning resources for audiences. One of the first pioneering museums to develop a mobile app is The National Gallery in London, who created the 'Love Art' app, which features 250 artworks with audio guides, videos, hi-res images and virtual tours of the gallery (Wong, 2009). Apps can also be used to guide audiences around a site-specific works or location-based experiences (MTM London, Jun 2011). Augmented reality apps, which use image recognition are also used to overlay live content that can bring to life a static image or installation. An example would be the the Frontlines photography exhibition at Somerset House in January 2012, which invited users to download and app and view additional commentary through video overlays ontop of the photographs³. Other applications of mobile technologies use QR codes, which link off to additional information or places where the user can participate.

Games can be developed as an app or online as a means to engage audiences creatively with a particular art form. Games can be an educational tool to build an interest amongst young people through play. Play has become increasingly important in education as mode of learning and engaging young people (Play England, 2008). For instance, games that encourage children to play a musical instrument such

as Guitar Hero, help to develop new interests and skills in the arts. Games contribute to learning, but can also be a form of art in itself as a creative artwork online.

Online archives and resources allow for audiences to research and learn about a particular art form by providing access to a range of digital content including articles, artworks, videos and audio. Digitization and maintenance of content becomes a challenge, where content should be kept fresh with newly curated features shared on a home page or newsletter. There is also the issue of copy rights when presenting artworks online. Resources such as Ubuweb⁴ has proven to be an invaluable resource for hosting and making available rare avant-guard and experimental work online. Free Music Archive⁵ also provides a platform for the sharing of music content that is free to sometimes download, play and remix. They also have regularly curated programs from invited guest curators to present different work from the archive. Archives can also act as a database for a physical archive or collection. Lux collection and the Tate Archive are examples of online archives that serve as a public resource. Other resources include resources for artists such as Art Quest⁶ provides a comprehensive directory and guide for an artist to develop and manage their careers, which is constantly updated and expanded upon by experts in the field. Open data and access to knowledge is a core value for arts organizations to ensure equal access to learning. It is also possible to consider access as a means to generate revenue to sustain the resource through subscription or membership models.

User-generated content (UGC) is content contributed by audiences online including through participatory projects, open calls, competitions, comments, questionnaires and polls. Audiences can now aid in decision-making of an organization, contribute ideas and opinions, and even become artists and curators themselves. For instance, social media blogs like Tumblr, photo sharing platforms like Flickr, and Pinterest now enable audiences to become curators of their lives and creative interests. By creating dialogue with a community through social media, audiences can now participate in voting or commenting that can influence future programming. An organization can also produce surveys to understand how to better serve the community. Audience participation allows for a deeper engagement with an art form and within a creative community to help foster a more inclusive arts economy. User-generated content can also include wikis where knowledge is pooled from a community network to form a shared knowledge resource.

In summary, these digital innovations have all had an impact on the work and role of arts

³ Frontlines: A Year of Journalism and Conflict exhibition at Somerset House, Jan 2012. Online: <http://www.somersethouse.org.uk/visual-arts/front-line-a-year-of-journalism-and-conflict>

⁴ www.ubu.com/

⁵ www.freemusicarchive.org

⁶ <http://www.artquest.org.uk/>

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organizations today. Organizations need to reflect on how the technologies are used and the platforms that are necessary for their work. Organizations also face a number of challenges when embracing digital, which include developing resources and skills to support the work, intellectual property and finding new revenue streams through digital.

Challenges for Arts Organizations

There are a number of challenges for arts organizations to consider in becoming a digital organization. This includes considering how large a role digital will play in the overall remit of the organization, and the structure and platforms they will use, and the kinds of content that will be produced and the resources required in producing and maintaining them. Depending on the size of the organization, digital responsibilities are often placed within marketing departments. In larger organizations, digital departments are placed in close relationship with the marketing departments, but can also serve a role within learning and creative departments. Digital departments can also have the role of supporting IT and audio/visual for events and office communication systems. The Philharmonia Orchestra for example, has created a digital department distinct from the marketing department that also has a role in producing programmes including the ‘Re-Rite’ project, which was an interactive installation where audiences can conduct and play through audio and video projections of the orchestra’s musicians performing Stravinsky’s ‘The Rite of Spring’. The project has also been transferred to an online platform, to allow audiences to engage with the project following completion of the exhibition (Wong, 2009). The digital department within the Philharmonia Orchestra is highly developed with its own budgets for developing creative projects, and also assists in the organizations’ marketing and IT functions.

Digital development poses some interesting questions for arts organizations, where audiences can now play a much larger role in decision-making and content production. Anyone can now easily produce, upload and share creative work online, and there is less need for arts organizations to play the role as distributors. Artists today can create and promote their work online, as well as play the role of producer and curator in organizing their own events or exhibitions for their work. Learning and participatory projects are having a larger role in organizations today, where audiences become the creators rather than simply as spectators. Digital raises important questions in the role of the organizations, where rather than selecting and presenting work to a public, organizations can facilitate or provide a platform for the self-organization of cultural activity by people. Education is playing a larger role to build interest, knowledge and skills about an art form and to foster a new generation of practitioners. Digital media enables communication and learning amongst the community through the sharing of knowledge. Organizations are. Moving beyond a model of presenting and delivering work to audiences, in the digital age, organizations are now taking the role as facilitators by creating the tools, platforms and resources to encourage learning, sharing, creation and dialogue.

Another major challenge for arts organizations includes navigating intellectual property issues, where the use of content online must be carefully considered. Artists must specify and agree to the terms of use and distribution of their work online. Free licensing models such as Creative Commons and Art Libre allow for more flexible controls in the terms of use beyond a blanket copyright. In general, the more views a work receives online the better, as it provides wider exposure to a work. In the commercial industry, viral media is a primary marketing tool in this regard. The value of distributing work online for free is marketing, where audience may alternately buy a ticket for a live performance after receiving a free download or seeing a video online. Increasingly web analytics and

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monitoring online traffic has become a key tool for understanding your audiences and their needs, interests and responses. E-mail contacts are considered extremely valuable in building your networks and can be used to promote future projects (though the issue in the digital industry of personal data protection remains a area of debate). Overall, in all the changes occurring across the sector and the economy, the question of sustainability is a major concern where there is a need to find new economic models for culture. There is a need to find new models in between public and private revenue streams. There are new models emerging in digital that offers a few new opportunities.

Digital Economic Models

In the economic crisis and the widespread cuts to the arts and public sector, a major challenge for arts organizations today is sustainability. With the push to become digital there are new economies emerging to support new forms of production and distribution. However, digital economic models are still emerging and have not yet standardized. In general, online content is expected to be free with filesharing and Youtube or Vimeo widely available for artists to upload and share their work online. However, there are new possibilities to generate income online with examples borrowed from the digital industry. In the industry income is now being generated from user data, web traffic analytics including pay-per-click advertising (PPC), search engine optimisation (SEO), social media and a wealth of tracking and reporting methods to either drive traffic or monetize data for more effective marketing. Some of these methods may not be appropriate for many smaller organizations, however provide insight on ways to generate income online. Goals for non-profit arts organizations are more directed towards learning, producing high-quality content and supporting artists, rather than driving sales and web traffic. From the emerging models, the relevant revenue streams for the cultural sector include: e-commerce and web-ticketing, content

licencing, subscription and membership, cross-subsidies, third-party, and crowdfunding.

Ecommerce and web ticketing is the primary source of income for arts organizations to sell tickets for live events through online booking services. Some larger museums and cultural institutions will often have an online shop for goods such as CDs, DVDs, t-shirts, posters or other design products and editions of artworks. Income is generated through the sale of physical goods or tickets to events, which requires the development of online payment and delivery system. This can include generation of e-tickets and credit card processing systems. There are often partnerships with ticketing services such as TicketMaster or SeeTickets, however many larger venues spaces have their own box office.

Content licencing offers possibilities to earn income through the licensing of digital content such as film or recorded material. High-quality content can be sold or used in marketing campaigns or television productions. Income is generated through the use of the material for commercial purposes where royalties for the use of content are given to the artist. Content licencing requires a contract agreement with the artist, where the organization holds the rights of the content produced. In general, this model is not fully self-sustaining, but rather contributes to the cost of production. An example would be the Philharmonia Orchestra, who produces high-quality recordings of their performances, which are then licensed out for use in film or broadcast media. They are also valuable to the artist for their portfolio or as official documentation of their work.

The subscription and membership model is becoming a standard model for organizations to generate income online., Users pay for an annual or monthly subscription that may have incremental levels of subscription and service i.e. standard and premium memberships that vary in price and amount of benefits. The ‘freemium’ model offers a limited service for free such as in the previous Spotify model, where the free service contains ads, and the paid service provides unlimited access to streamed music without ads. Many arts organizations have a membership

system to allow for special access to priority tickets, newsletters, professional networks, listings and other resources. There are a number of organizations sustained by a strong professional network of subscribers such as A-N⁷, which is a publication and resource for artists that also provides liability insurance and other services for members. New Work Network⁸ is also another artist-run paid membership social network for interdisciplinary artists in London. Some organizations may feel restricting access to content online limits access to knowledge, which can be considered exclusionary or elitist, however, memberships can also be a primary source of income for an organization.

Cross-subsidies is a model borrowed from marketing, which involves enticing audiences with free giveaways only following the purchase of a product or subscription. Content is bundled together to make audiences feel they are getting more for their money and is used as a means of generating further interest and investment in the organization. This is a model generally used for one-off campaigns to build the profile of an organization.

Third-party income models involves providing free access to content where income is generated through a third party such as an advertiser. Banner ads such as Google Ads generate income through pay-per-click, pay-per-transaction or pay-per-view. Advertising space on a website can also be sold for the size and time the ad is left on the page. Advertising is dependent on the traffic on the site in order to generate income where income is often marginal (wagering in the pennies per click) and is best for sites with high traffic. Some organizations feel that hosting advertising may reduce the credibility of a website, however, promoting other organizations or relevant links to the art form could be a means of building up a network. Cross-promotion between organizations is common to exchange of links or banners on partners and collaborators websites to build up a network that provides mutual benefit through association, which also helps in building an online presence and improving SEO. Cross-promotion is often a free exchange and may not generate direct income, but will help in build up an organization's online presence. Third party models also includes the selling of data for market research, which is perhaps less relevant for arts organizations.

Crowdfunding offers new possibilities for arts organizations to raise money through online donations. Platforms such as Kickstarter in the US, and WeDidThis⁹ and Sponsume¹⁰ in the UK provide a tool to raise funds for individual projects online. The

platforms helps to develop a fundraising campaign that is shared through social media to provide wider access to potential donations. They offer a system for processing donation transactions that can range from 50p to hundreds of pounds. In this model, audiences becomes stakeholders within a project and depending on the amount donated, they will receive gifts such as free tickets to an event or a limited edition of a work at the completion of the project. Projects depend on raising the full amount before they can be executed, however ensures that there are enough funds in order to produce a project. Crowdfunding is best for smaller individual projects and cannot cover full operation costs of an organization. Fundraising events with patrons would require a larger campaign and involve larger amounts of funding.

Overall there are a number of new revenue streams offered by digital media, where this is only a brief overview. E-commerce and ticketing, memberships and fundraising remain the most relevant and viable models for arts organizations. Models explored in the marketing industry such as third-party or cross-subsidies streams, may appear less relevant though are still useful to consider. However, the role of digital in arts organizations can go far beyond simply marketing and growing audiences as consumers of content; digital can also engage audiences in learning, sharing and creation in a participatory model of cultural production. Digital today is changing the role and shape of arts organizations where there are new breeds of organizations that are entirely digital. The current economic crisis provides an opportunity to rethink the possibilities for culture in the way we produce, share and sustain cultural activity. Digital arts and digital culture offer ideas and practices for thinking about ways of working and cultural production and organization that provide new opportunities for thinking about the wider economy¹¹.

Digital Futures: Towards a Renewed Cultural Economy

In the UK, the digital arts continue to remain at the fringes of the wider cultural sector where despite emphasis on digital development in the Digital Economy, many digital art organizations were cut in the recent reshuffling of the Arts Council portfolio. Digital art refers to art made with technology including video, sound, interactive, mobile and web art. Digital policies focus on the ability of arts organizations to

⁷ <http://www.a-n.co.uk/>

⁸ <http://www.newworknetwork.org.uk/>

⁹ <http://www.wedidthis.com/>

¹⁰ <http://www.sponsume.com/>

¹¹ Link and resources on digital development in the arts in the UK:

<http://digitalcapacity.artscouncil.org.uk/>

<http://www.getambition.com/> (Scotland)

<http://artsandbusiness.org.uk/Central/Research/Digital-creative-futures.aspx>

<http://www.museumnext.org/>

deliver high quality content to audiences, and ensuring viable economic growth through stronger content rights protection. The policies often skip over the intrinsic value of experimental creative practices and the key role it plays in innovation. The Council of Digital Arts (CODA) a group of digital art organizations in the UK working together to lobby the Arts Council wrote in their 'Letter to Arts Council England on the Development of Digital Culture in the UK': "Whilst we appreciate that digital technologies have created exciting opportunities to engage with audiences, and to disseminate and distribute arts programmes in new ways, it is critical that funders and policy-makers understand that this is not the extent of digital culture. If we are to make the most of the digital opportunity, it needs to be recognized at a national policy level that digital culture is about more than extending the reach of existing arts practices. It is about entirely new forms of production, expression, practice and critical reflection that digital technologies have made possible." Digital culture is "networked, hybrid, innovative, improvised, tactical, distributed, de-centralized, local, creative and skilled; and to cut across art forms" and is active in "engaging with groups such as technologists, scientists and the creative industries". Digital arts and culture challenges traditional models of arts organization in the kinds of art and the new possibilities in production and distribution that is introduced with new technologies. Digital culture offers ideas and practices that can allow us to reshape and rethink the cultural economy.

Some ideas and practices found within digital culture include: open source and free culture, collaboration, network culture, crowd-sourcing, new forms of organizations, and experimentation with new technologies.

Open source is a model of software development where the code is open to be modified by others to improve and build on the code. Open source is also a way of working together or collaborating that allows for plurality and innovation to flourish through a collective effort. 'Open source' does not necessarily mean 'free' as in 'free beer', but as in 'freedom of speech' allowing for free distribution and modification of the code. The open source movement is also referred to as FLOSS meaning 'free libre open source software', which is a philosophy supporting peer-to-peer collaboration. Open source is a way of working that does not restrict use and sharing as in policies in the Digital Economy, but supports rather

believes in the possibilities of open contribution. Similarly, free culture also values the free distribution of creative works, which permits the altering and creation of derivatives of an original artwork. Placing a work online and permitting others to alter your work, allows for an original idea to take on new meaning, and build upon an existing idea. Ideas in free culture are allowed to evolve, grow and take new shape in a dynamic cultural ecology, where possibilities of creation go beyond the creative abilities of a single person or artist. The issue with free culture is that it is

difficult to attribute the work or remunerate individuals appropriately for their work. Open licensing has become a common practice within the arts that allows for a more fluid exchange and flow of ideas.

Digital culture supports and nurtures a philosophy of collaboration through ideas found in open source and free culture. Additionally digital art organizations are more open to collaboration and partnerships with the commercial technology sector. In digital culture there is a strong value in skills and resource sharing beyond individual interest. There is a value in contributing to a community for the greater good. Collaboration is becoming a necessity for organizations in today's economic climate, where there is a need to pool resources and to work together in order to sustain.

Networked technologies such as the internet allows for communication and collaboration across networks around the world. The digital arts communities are particularly

interconnected across the globe through a number of channels including mailing lists such as Nettime and Netbehaviour. Online collaborative working tools such as Google Docs allow for real-time contribution on a document or project from parties around the world. Network culture is a model of working together that use networks to sharing knowledge and resources amongst a distributed community of contributors that can reside in any corner of the globe. In thinking globally and participating in discourses, maintaining and openness to each other, there is possibility to build support networks and communities through collectivity, contribution and collaboration. Crowd-sourcing also utilizes networked technologies to gather contribution from a wider community. It is a means of collective decision-making, problem solving and knowledge building. By throwing out a problem or question, answers can be sourced, challenged and questioned. However, crowdsourcing in the industry

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today can be viewed maliciously as a means of getting ideas for free that are then monetized by corporations. An example would be Nike’s shoe-design competitions that encourage audiences to submit their designs for production.

Digital culture has used digital technology as not only a tool or method, but also as a philosophy to facilitate collaboration across networks and sectors. Digital arts organizations also have a unique relationship with other organizations that are more interconnected and collaborative. Perhaps a networked and collaborative model for arts organizations is necessary in more difficult economic times. Digital culture poses opportunities for the economy in emphasizing a more collaborative model based upon contribution such as in Bernard Stiegler’s ‘economy of contribution’, which operates in a gift economy that supports the development and health of the greater community over the individual. The digital arts also open up to economic models between public and private, where digital arts can also generate revenue in the commercial design, architecture and media industries. Experimenting with mixed economies, digital culture explores possibilities for sustaining cultural practice through projects that can be both commercial and non-commercial, whereas some more traditional organizations may struggle to diverge from existing models. Digital arts organizations can take different shapes and roles as agencies, consulting firms, research labs and online digital platforms.

Lastly, creative practices in the development of new technologies sit at the forefront of innovation, where places like the MIT media lab work at the crux of art, society and technology. Fields of emerging technologies include: mobile technologies and locative media (i.e. RFID tags), artificial intelligence, interactive media, software art, nanotechnologies, networked media etc. Experiments by artists working in the field

of digital arts may invent new technologies that could once again reshape our entire economy. New technologies can open up to the development of new tools for communication, new ways of relating to each other and working together, and interfacing with the world that we cannot imagine. Digital culture allows for thinking about organizational practice beyond the frames of the cultural sector, economies and limits of geographic location. Thinking beyond, experimenting and finding ways of working together is where true innovation for the economy lies, where it does not exploit creative workers within the industry, but rather finds a sustainable environment for everyone. There is a need to self-organize, to build networks and embrace opportunities offered by digital to build a thriving cultural economy.

Conclusion

In summary, for the cultural sector, the Digital Economy means furthering collaborations with the media and technology sectors, and developing knowledge and skills for the delivery of cultural content. New initiatives and funds are emerging to support digital innovation within arts organizations and start-ups to explore new business opportunities through digital. With the Arts Council England seeing 30% cuts, funds seemingly shift away from supporting creative practice to supporting business development and innovation. Arts organizations face a number of challenges in building digital skills and resources in the new economy. There are many new practices emerging that require constant updating as they are constantly changing. Arts organizations are required to consider their practice in using emerging technologies and exploring ways of engaging their audiences in the digital era. New economic models need to be

considered, as well as the role of the contemporary art organization in society.

Despite a dire situation in the cultural sector, digital culture models and practices that present opportunities for a renewed cultural economy. Open source, networked and collaborative models encourage the sharing of knowledge, pooling of ideas and resources across sectors, amongst organizations and amongst creative practitioners. Digital art organizations are generally more open up to exploring economic models and the role and function of arts organizations in their engagement with new technologies, which allows them to take new form. Sustaining creative practices remains a question when online content remains free. Beyond the more traditional sales and membership models for arts organizations, economic opportunities lie in exploring mixed economies and models based upon the sharing resources and skills, and online micro funding.

Digital innovation is not about becoming leaders in digital business development where high quality content contributes the branding of the country, but opening up and supporting the free sharing of ideas and content that is networked and distributed. Support for the frameworks for building collective knowledge and cultural resources is required to allow for a cultural economy to flourish. Additionally, support for research and creative practice with new technologies that helps open possibilities for digital innovation where new technologies introduced to society could reinvent the economy. There is hope in finding a renewed cultural economy in crisis through new ways of working together and imagining new forms of organizations and structures for a world that is collective and shared.

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