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THE SNP, CULTURAL POLICY AND THE IDEA OF THE ‘CREATIVE ECONOMY’

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Introduction
Since coming to power in May 2007, the SNP government has taken significant initiatives in broadcasting and cultural policy. In doing so, it has been deeply influenced by current thinking about the key role of the ‘creative industries’ and the ‘creative economy’ in conditions of global competition. Such ideas first came into focus in the UK with the advent of New Labour to power in 1997 and were rapidly adopted in Scotland under the Labour-Lib Dem coalitions that ruled in the Scottish Parliament from 1999-2007.

The creative economy has moved increasingly to the centre of policy thinking in the UK, latterly crystallised by Creative Britain (Department for Culture, Media and Sport 2008), a government report endorsed by Prime Minister Gordon Brown. At the heart of the official vision of creativity are the harnessing of culture to the growth of the national economy and a grandiose post-imperial design to make the UK the ‘world’s creative hub’. ‘Creativity’ has become a doctrine, continually modified in government discourse and sustained by sympathetic think-tankery (Schlesinger 2007; 2009). The New Labour government has defined creative industries as involving individual effort productive of intellectual property and demonstrable of entrepreneurship. The idea of creativity as such has widespread ideological resonance, and accords with aspirations to seek fulfilment in work. But while it is often officially presented as inclusive and democratic, creative economy policy is focused on a small minority’s cultural labour and its successful commodification for the sake of UK plc (Heartfield 2008; Mulholland 2008). As the Nationalists have drunk deeply from the same cup, the impact of such thinking is evident in their approach to broadcasting and culture.
Shortly after coming to power, First Minister Alex Salmond set up the Scottish Broadcasting Commission (SBC), prompted by the need to address Scotland’s ‘deficit’ in the volume and value of television production for the UK networks. The Scottish Government’s intervention in broadcasting policy broke with the reticence and backstairs lobbying of previous administrations. The SBC’s work illustrates the decisive intervention that can be made in a policy field formally reserved to Westminster and will be the first of the two cases examined here.

The move to address broadcasting policy issues directly has posed an interesting (if still minor) challenge to the established UK framework. Broadcasting is a ‘reserved’ power under the Scotland Act 1998 and falls under the purview of UK ministers and the Westminster Parliament. In practice, therefore, broadcasting policy is in the hands of the Secretary of State for Culture, Media and Sport while Ofcom (the Office of Communications) regulates broadcasting on a UK-wide basis. Scotland is not represented on the Ofcom Board although it does have national members on the Ofcom Content Board and the advisory Consumer Communications Panel. The regulator has offices in each of the nations: Ofcom Scotland is based in Glasgow. BBC Scotland, long headquartered in Glasgow, is the corporation’s Scottish arm. The BBC is regulated by the BBC Trust, which has a territorial member – currently the economist Jeremy Peat - who represents the Scottish interest.

By contrast with broadcasting, culture is an area of ‘devolved’ policy. If the SNP has intervened decisively to try and shape broadcasting in Scotland, the field of culture demonstrates instead the profound continuity of policy ideas in Scotland, and indeed, their deep dependency on thinking fashioned in London. The continuing saga of Creative Scotland offers an apt illustration, as will be illustrated below.

The Scottish Arts Council (SAC) was established in 1994 but has worked autonomously under a Royal Charter since 1967. A Non-Departmental Public Body (NDPB) operating at ‘arm’s length’ from government, it has long been formally accountable to Scottish ministers whether, as originally, under the Scottish Office or, as now, under the Scottish Government and Scottish Parliament. Scottish Screen was set up in 1997 as a company limited by guarantee to operate as the national development body for the screen industries. Also an NDPB, it reports directly to
Scottish ministers. On present government plans, these two agencies are to disappear in 2010. The SNP has inherited a key plank of Labour-LibDem creative industries policy. This involves setting up a new public body, Creative Scotland, intended to provide strategic leadership in the ‘creative economy’. The complexities engendered by this reform are my second main theme.

Each case, it is apparent, stands in a distinct relation to the Scottish and UK political systems. One traverses the devolved/reserved powers distinction, raising questions about its renegotiation. The other sits wholly within the devolved order. Taken together, they neatly demonstrate Scotland’s asymmetrical institutional framework and policy capacity across the interlinked fields of broadcasting and culture.

**Why broadcasting matters to Scotland**

Television broadcasting is of prime importance to the competitive functioning of the creative economy north of the border. Glasgow is a long-established broadcasting production centre in the ‘nations and regions’ of the UK. It is Scotland’s audiovisual media capital: Pacific Quay is home to BBC Scotland and the Channel 3 incumbent, stv, and Channel 4 also has a small presence in the city. Glasgow is the base for key independent television producers.

Given the centrality of media to the culture, economy and polity, the recent precipitous decline in the volume and value of indigenous television production has become an increasingly hot political issue. Public service broadcasting (PSB) channels have obligations to spend varying proportions of their programme-making budgets outside of London. Part of this ‘quota’ is commissioned in Scotland and crucial to sustaining the country’s production capacity. In May 2007, Ofcom’s report on the communications market in Scotland showed that the country’s share of UK network production had fallen from 6% in 2004 to a mere 3% in 2006 (Ofcom 2007a: 83, fig.29). The fall provoked debate about Scotland’s ‘deficit’, namely the gap between the country’s share of the UK population (and consequent contribution to the BBC licence fee) and its share of UK network production.

The BBC’s target for network production from the three devolved nations is 17%. Channel 4 is obliged to commission 30% of its programmes from outside the M25 area. Ofcom requires ITV to source 8% of its programmes from the nations whereas
Five has a 10% obligation to seek out of London commissions. In 2006 and 2007, and this was ‘a matter of concern’ to the regulator, total Scottish production was under 3% by value and under 2% by volume of UK network production (Ofcom 2008b: 45).

The bad news for Scottish broadcasters and producers in 2007 coincided with the election of the Nationalist government. Prior to taking office, the SNP had challenged the broadcasting status quo. The party’s 2007 election manifesto called for a ‘dedicated news service and more quality programming made in Scotland’. The Nationalists said they would ‘push for the devolution of broadcasting powers to the Scottish Parliament’ and wanted the BBC ‘to retain more of the licence fee raised in Scotland’ (SNP 2007: np). Aside from that, however, policy remained very sketchy. The reported fall in television production, therefore, was welcome new grist to the political mill and the First Minister’s intervention gave a decided fillip to a desultory and intermittent debate.

In August 2007, Alex Salmond set up the Scottish Broadcasting Commission (SBC), under the chairmanship of Blair Jenkins, a former BBC Scotland and stv executive. The Commission’s membership was carefully balanced to represent the main political parties, as well as having its requisite quota of the great and good. At the SBC’s launch event, Mr Salmond – in a conversation with this author – said that not only had he been influenced by Ofcom’s report but had also taken serious note of the recently published Work Foundation (2007) study of the ‘creative economy’. He had been impressed by the dynamism and growth potential of the sector. Reports by a UK regulator and a London-based think tank therefore played influentially into Scottish policy making.

The SBC went through a lengthy process of taking evidence on the economic, cultural and democratic aspects of broadcasting before finally reporting in September 2008. The First Minister’s initiative undoubtedly rattled the cage. The Commission was taken seriously in London. It took evidence from all the leading players in British television, focused Ofcom’s attention, and secured an early assurance in September 2007 from the BBC’s Director-General Mark Thompson, that the corporation would enable BBC Scotland to increase its network production figures substantially.

The SBC’s final report, Platform for Success, was wide-ranging. Here, we shall note two crucial recommendations. First, and least surprising given the driving economic
interest behind it, that there should be a major increase in ‘the value and volume of production for the UK television networks’ (Scottish Broadcasting Commission 2008: 8). This was linked to securing a shift of commissioning power from London (by moving a national channel to Glasgow). The SBC also emphasised the need for a quota to ensure that programme supply continue to be UK-wide. The BBC was asked to ensure that 8.6% of network production would come from Scotland by the end of 2012, a similar commitment also being requested from Channel 4, given its PSB status.

The second key recommendation was much more challenging:

‘the creation of a new Scottish Network: a digital public service television channel and an extensive and innovative online platform. The network should be funded out of the new UK settlement for PSB plurality and should be licensed and given full regulatory support by Ofcom.’ (Scottish Broadcasting Commission 2008: 5)

The Commission estimated that the new venture would cost between £50 and £75 million and proposed that the Scottish Network ‘should include a commitment to high-quality information and entertainment, including news and current affairs covering Scottish and international issues, and innovative and ambitious cultural content’ (ibid).

The SBC’s report received unanimous support in the Scottish Parliament on 8 October 2008. Of the two key policy recommendations, the upscaling of production by BBC Scotland is presently in train. The BBC’s decisions to increase output will have the largest single immediate impact on the broadcast economy north of the border. The corporation has forecast a rise in network income to between 5% and 6% in 2009, identified a number of programme strands for transfer to Scotland and initiated a modest shift in commissioning power (in daytime, entertainment and factual) to Pacific Quay.

However, it remains an open question whether the far-reaching proposal to set up Scottish digital network will be funded. The decision rests with the UK government. If funding is refused, financial stringencies during the present economic crisis will be the prime reason cited although some will suspect that political motives lie just beneath the surface. To understand this better, we need to consider the wider context.

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Turmoil in British television

The SBC’s recommendation came at a time of great volatility in television. In April 2008 Ofcom, reflecting the fact that the UK terrestrial broadcasting system was in crisis, set out several ‘models’ for the future. Taking devolution into account, these were adjusted to reflect the specific realities of the ‘nations’, Scotland, Wales and Northern Ireland (Ofcom 2008a). Which model might be secured north of the border?

In a worsening economic climate, the regulator has sought to ensure ‘plurality’ in television defined as ‘based on a limited number of TV channels’ (Ofcom 2007b: 5). Crucial to the idea of plurality is a diverse supply of news. The trigger for Ofcom’s PSB inquiry in 2008 was the financial crisis faced by all the terrestrial broadcasters – ITV, Channel 4, Five – apart from the BBC, whose foreseeable income will come from the licence fee. The issue has risen up the agenda of the UK Government, as is evident from its interim Digital Britain report (BERR 2009: 45-50). In a response to Digital Britain, the Scottish Government welcomed ‘the clear recognition of the need to secure adequate provision of public service broadcasting content for Scotland – something that we think is best achieved through the establishment of a new digital network for Scotland’ (Scottish Government 2009a: 1).

Scotland still has a plurality of supply in public service broadcasting. First, Scottish viewers can access the range of programming offered on the platforms commonly available to other UK viewers. Second, there are distinctive sources of supply in Scotland.

The only nation-wide broadcaster, BBC Scotland, produces and distributes its own television, radio and online services. The BBC’s major investment north of the border has been the £188 million spent on BBC Scotland’s state of the art digital HQ at Pacific Quay, opened in September 2007. The BBC has given a commitment to produce 8.6% of its output in Scotland by the end of the current Charter (in 2016). As noted, it may achieve this goal in advance of that date.

Stv group plc is the Scottish commercial PSB. It holds the Central Scotland and North East Scotland franchises, covering most of the national territory. In March 2007, after an extremely volatile period, a new management team opted to consolidate the stv brand and concentrate on television production. Although stv is a broadcaster, it would like its production division to be classified as an independent producer to
compete for the 25% of commissions available to ‘indies’. It has played adeptly on its incumbent status and brand recognition in Scotland to argue for a public subsidy for its news service, offering this as a solution to the question of plurality.

ITV Border serves a small segment of the Scottish audience in the south of Scotland but its news operation is based in ITV Tyne Tees. The downgrading of local news coverage has been a sore point with viewers north of the border and it is likely that they will be brought into a pan-Scottish commercial broadcasting framework when present Channel 3 licences are reviewed.

The latest addition to the scene is the Gaelic digital television channel. Badged as BBC Alba, it is run in partnership by BBC Scotland and the Gaelic media service, MG Alba. The channel received the go-ahead in January 2008 after much delay and began broadcasting in November that year. The BBC Trust’s reservations over the service’s ‘public value’ kept it off Freeview. It is an open question whether such access will be afforded soon. Presently, BBC Alba is distributed on cable, satellite and broadband. Its impact both on the 60,000 strong Gaelic language community and the wider Scottish public will be reviewed by 2010.

Future policy will play out in this landscape. BBC Scotland will remain the linchpin of the broadcasting economy. It remains to be seen whether the Scottish digital network will become its PSB competitor. Reshaped relations between traditional media and the internet and new uses of spectrum may open innovative possibilities. In 2011, Scotland will face increased UK-wide competition in out-of-London production from BBC North – and the developing cluster of media companies – located at Media City UK in Salford Quays, Greater Manchester.

Devolution and the politics of broadcasting

The demand for ‘broadcasting devolution’ has been deeply entangled with control over the news agenda in Scotland (Schlesinger et al. 2001: ch.2). A hugely symbolic row in 1998 concerned the so-called ‘Scottish Six’: should BBC Scotland be allowed to broadcast its own 6-7pm hour of news and current affairs on BBC1? This would have entailed an opt-out from London’s network news to follow Glasgow’s own agenda, just like BBC Radio Scotland. John Birt, the BBC’s Director-General, Prime Minister Tony Blair, and senior Cabinet ministers found this possibility likely to
encourage separatism. Such attitudes evidently persist in the Brown government. The BBC Executive decided against launching a ‘Scottish Six’ and the debate over news never fully subsided.

Alex Salmond (2007: 1) invoked the ‘Scottish Six’ when arguing for ‘the devolution of powers to the Scottish Parliament… to ensure the principle of editorial and creative control being exercised in Scotland on behalf of Scottish audiences’. Earlier, in 2005, the Cultural Commission, set up by Labour First Minister Jack McConnell to address questions of cultural policy, asked Scottish ministers to introduce ‘an element of devolution of broadcasting’ and to recognise ‘a strong case for the establishment of at least one channel based in Scotland’, which might become Holyrood’s responsibility (Cultural Commission 2005, Annex G: 5). The coalition government gave this challenge to the constitutional status short shrift (Scottish Executive 2006a: 43).

Subsequently, the SBC (2008: 53) while not advocating broadcasting devolution has recommended ‘an active role for the Scottish Parliament’. The Calman Commission on Scottish Devolution, noting the debate over broadcasting devolution, has yet to reach its conclusions (Calman 2008: par. 5.30). Broadcasting devolution will be debated as part of the Scottish Government’s National Conversation (Scottish Government 2007: par. 2.44), the preamble to a proposed referendum on independence.

Devolved broadcasting opens up a range of institutional and regulatory issues, still to be aired. How will parliamentary control over broadcasting operate? Which models will be drawn on? How might devolved control relate to UK regulation? What powers might be sought to raise and spend the present BBC licence fee (or a proportion of it) in Scotland?

**Creative Scotland’s bumpy ride**

In its current *Digital Britain* review, the UK Government has characterised broadcasting as part of the ‘digital economy’. But since 1998, the Department for Culture, Media and Sport (DCMS) has designated broadcasting (and film) as creative industries, as at the core of the ‘creative economy’. This terminology, rooted in neo-liberal assumptions about individual talent, entrepreneurship and intellectual property, has exercised a profound influence north of the border, irrespective of the government
in power. In fact, the UK’s creativity agenda has informed the rationale and scope of Creative Scotland, the new agency to be launched in 2010.

A Draft Culture (Scotland) Bill to set up the new agency was first published on 14 December 2006 by the Labour-Liberal coalition (Scottish Executive 2006b). A joint board, comprising members of both the Scottish Arts Council and Scottish Screen boards, was set up under the chairmanship of the theologian Richard Holloway. However, no Culture Act was passed before the parliamentary elections of May 2007. Then the coalition fell and the SNP formed the new Scottish Government. Once in power, Linda Fabiani, the Minister for Europe, External Affairs and Culture (based in the First Minister’s office), adopted the establishment of Creative Scotland as an objective.

In November 2007, the Creative Scotland joint board appointed the arts consultant Anne Bonnar as ‘transition director’, to lead a ‘fast track’ process, with a new CEO and board to be appointed by April 2009. To outsiders, the situation looked increasingly confusing. Who was in charge? The transition director worked alongside the CEO of Scottish Screen, Ken Hay, and the acting CEO of the SAC, Jim Tough, each of whom had organisations to run but over whose heads an organisational sword of Damocles was now suspended.

In March 2008, the Scottish Government launched the Creative Scotland Bill (Scottish Parliament 2008). After scrutiny, this was defeated in the Scottish Parliament on 18 June 2008. MSPs rejected the bill’s financial memorandum. There were also uncertainties in the culture minister’s account of whether or not funds would be transferred from Scottish Enterprise to the new body. Under Holyrood rules no new bill could be introduced for six months. To try and break the logjam, in September 2008 the Scottish Government announced the setting up of a limited company, Creative Scotland 2009 Ltd, chaired by the financier Ewan Brown, to advance the evidently stalled ‘transition’ process. The aim was still to have a new CEO and board in place by April 2009, with a statutory body established by February 2010. Meantime, during the autumn and winter of 2008, Anne Bonnar’s transition project attracted increasing criticism from artists, opposition politicians and the press.
for failing to deliver value for money and a clear vision (McCracken, 2008; Macaskill 2008).

Linda Fabiani was sacked in a reshuffle in February 2009. Her last act was to produce a so-called ‘core script’ (Scottish Government 2009a). Based on the DCMS’s 1998 definition of the creative industries, this set out the ‘roles and responsibilities’ of the Scottish government and various ‘delivery agencies’ (Creative Scotland, the Enterprise agencies, local authorities, the Business Gateway), all of which were to offer a ‘genuine joined up approach’. The blueprint drew on a report produced the previous May for the minister by an ad hoc Creative Industries Working Group (2008) whose conceptual framework came from the DCMS and the innovation body and think tank, NESTA. By insisting on the ‘joined-upness’ of the effort required, both documents testified to the difficulties encountered by the minister in aligning Scottish Enterprise with the ‘creativity’ agenda and also the failure to prise money away from that body to boost Creative Scotland’s coffers.

**The endgame?**

Mike Russell, titled Minister for Culture, External Affairs and the Constitution, replaced Linda Fabiani on 10 February 2009. He rapidly sought to disarm the critics. In a speech in Edinburgh to invited members of the arts community delivered on 18 February 2009, Russell said the new organisation would be central to sustainable economic growth, falling in line with the Scottish Government’s principal objectives. He asked the cultural community for partnership, dialogue and debate and underlined the crucial importance of artists’ support for government policies.

Russell followed up this appeal with an upbeat speech at another conference in Edinburgh organised by *Holyrood* magazine on 28 April 2009. The debate was now in its ‘endgame’, he stated. The minister affirmed Creative Scotland’s role in leading arts strategy. It would need to ‘discover the creative reconciliation of the entrepreneurial and the cultural’. Clearly recognising that creative industries policy to date has subordinated culture to the economy, Russell sought to sidestep this line of criticism by arguing that both culture and the economy were important and should be seen as on a ‘continuum or spectrum’ rather than as in contradiction. It is doubtful that the inherent tensions between economic and cultural purposes and values can
simply be wished away. It remains to be seen how the Scottish Government’s key objective of sustainable growth - to which the creative industries are meant to contribute – will play out against the stated desire to put artists ‘at the heart of our cultural policy’, in Russell’s words.

In a further shift of the timetable, at the same Edinburgh conference, the chairman of Creative Scotland 2009 Ltd, Ewan Brown, announced that a new transition director, Richard Smith, had been appointed and that a new CEO and board would be appointed by March 2010, although – he acknowledged - by then Creative Scotland would still not be in ‘final form’. These aspirations depend on the successful passage through the Scottish Parliament of the Public Services Reform Bill 2008, the legislative means by which to establish Creative Scotland.

The new body is the unloved child of two ill-matched parents: bureaucracy and intellectual dependency. Creative Scotland originated in the so-called bonfire of the quangos, back in 2003, when the then culture minister, Mike Watson, proposed one cultural agency to replace two. This idée fixe has been in the bureaucratic bloodstream of the Scottish Executive ever since and never seriously questioned. Why Creative Scotland? Creativity was then in the air as it is now, and similarly propounded as a key strand of economic development. Scottish Labour imported New Labour policy and terminology, without altering a comma or full stop. The paternity suit, therefore, needs to be filed against the coalition Scottish Executive.

But now the mother of this invention will be the present Scottish Government. Why did the Nationalists not think again? Like the Labour-LibDem coalition, the Nationalist cabinet has taken up and adopted policy made in London. The opening lines of Linda Fabiani’s ‘core script’ for Creative Scotland reiterate word-for-word New Labour’s conception of creative industries, 1998 style – not even the reframed creative economy thinking developed by the Work Foundation (2007). The neo-liberal assumptions embedded in the New Labour project live on in the SNP’s proposed cultural lead body, just as they have been challenged by our profound financial and economic crisis.

Conclusions
In broadcasting, where it has least formal room for manoeuvre, the SNP in government has made some significant running. Even before the SBC reported, its very creation changed the climate for demanding that increased television production be located in Scotland; this intervention has produced a positive response from the BBC. So far as a new digital network in concerned, the Nationalists have underlined their commitment to the SBC’s idea both for creative economy and cultural policy reasons. At this time of writing, it seems likely that the UK Government will argue that there are other more pressing priorities, as UK television faces its deepest crisis ever. In the swirl of rumour and non-attribution surrounding broadcasting policy, it appears that the Scottish Government does not expect to win the case, although it will continue to press for the new network to be set up and make a political issue of any outright refusal. For its part, the Labour government appears to be reluctant to yield any control over broadcasting developments in Scotland.

Meanwhile, in cultural policy, where the Scottish Government has most scope for autonomous action, it has – astonishingly – boxed itself in with the Creative Scotland legacy. Since the start of 2009 – after a long period of confusion - the process has acquired more clarity and purpose although, according to the minister, a financial standstill for public funding of the arts and creative industries is the most optimistic scenario on offer.

Much now hangs on whether a workable structure emerges from Creative Scotland’s long and unsettling gestation period. Its architects face some major challenges. First, to establish credible leadership for Creative Scotland in the line-up of partnerships now decreed. Second, to handle convincingly the competing funding priorities (and value systems) of the arts and the creative industries. Third, to demonstrate to the public that some real advantages derive from this new model.

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