

Comment

Variant banned!

The Summer issue of *Variant* mapped the breakneck privatisation that resulted in the creation of Culture and Sport Glasgow (CSG). It also detailed the business interests of the board members of the twin companies which took over the management of culture and sport from Glasgow City Council. 'The New Bohemia' by Rebecca Gordon Nesbitt did not set out to be particularly controversial. Rather, in analysing how consolidated private interests now operate, it was pursuing the basic principle of good journalism – investigation. CSG's immediate response was to threaten *Variant* with legal action, accusing the article of supplying "inaccuracies and potentially defamatory statements". Perhaps most worryingly, CSG removed the edition from the cultural venues it now controls. CSG had not in fact put the article to any legal scrutiny and, as a subsequent list of their grievances showed, the objections were largely trivial and easily rebutted by evidence available in the public domain. This effort to regulate *Variant's* content came from CSG's PR officer, James Doherty, and leaned heavily on his rejection of previous newspaper articles as reliable source material. Taken together with CSG's banning of *Variant*, this attack on journalism is especially worrying as Doherty is currently President of the National Union of Journalists. (Please see online for a fuller account. *Variant* also has three unacknowledged Freedom of Information requests with CSG, casting doubt on its commitment to public accountability.)

Significantly, however, none of CSG's objections related to the main thrust of the article, namely, the harnessing of the city's culture to tourism and regeneration agendas and the intrusion of private interests into what was previously a public sector domain.

The fact that this new private company seems not to prize freedom of expression very highly and acted quickly to stamp out freedom of communication *should* set alarm bells ringing amongst the city's creative communities. Intra-institutional press and marketing departments operated to hold a political line through various control techniques, only one of which was censorship. CSG's disproportionate reaction to criticism seems designed to distract from, and suppress, questions about the basic premises on which culture is being privatised and the restrictions inherent within that process.

One point raised in 'The New Bohemia' is particularly pertinent given recent developments in Scotland, namely the relationship between the local manoeuvrings of CSG and the cultural reappraisals being undertaken at a national level. Most significant here is the proposed creation of Creative Scotland, a merger of the public bodies, the Scottish Arts Council and Scottish Screen, into a private company.

When Jack McConnell was First Minister of Scotland, 'Culture' was made a priority. His wife, Bridget McConnell, then at Glasgow City Council, is now head of CSG. A Cultural Commission was launched in 2004 to undertake a "thorough" review of cultural provision over a one-year period, paving the way for its radical overhaul as part of "a generational opportunity – to look seriously and maturely at our culture and decide the framework for its support in the future."

It was widely reported at the time of the Cultural Commission that Bridget McConnell wished to exert some influence over the process, with fears being expressed that the Commission was a thinly veiled bid to axe the Scottish Arts Council.

In September 2008, the SNP-led Scottish Government announced that it would be following the recommendations of the Labour-led Commission to set up Creative Scotland, a private company limited by guarantee, as a replacement for the Scottish Arts Council and Scottish Screen, to pursue a "creative industries" agenda.

Creative Scotland : Shake 'n' Bake

If Creative Scotland represents the victory of private managerialism over culture, with CSG as its corporate precedent, it is worth recalling that the Cultural Commission grew out of the National Cultural Strategy, published in 2000, which placed the creative industries centre stage. Former Minister for Tourism, Culture and Sport, Frank McAveety, took up this theme in the Cultural Policy Statement which launched the Commission. This considered "how to use public spend to lever growth in the cultural and creative industries", whilst framing creativity in entrepreneurial terms aimed at giving Scotland a "competitive edge".

Predating the Cultural Commission by four years, a Joint Implementation Group had been set up with the National Cultural Strategy to realise its strategic objectives, with James Boyle attending the inaugural meeting in his capacity as Chair of the Scottish Arts Council. The Group was later informed of a letter, dated 18 December 2002, from Bridget McConnell, proposing a national review of local government cultural and leisure services. Mike Watson, Minister for Tourism, Culture and Sport at that time, set up separate meetings with representatives of the creative industries and at its last meeting the Group was asked to consider a paper arising from this forum: "In particular,

Why is the Scottish Government ploughing ahead with an already rejected privatisation of culture in Scotland: Creative Scotland?

comments were invited on the proposition for an agency 'Creative Scotland', combing [sic] a number of responsibilities currently residing with a number of different agencies." That the creation of the hybrid Creative Scotland was mooted in January 2003, well in advance of the Cultural Commission, makes a mockery of the subsequent consultancy which cost the Scottish taxpayer £487,000 and robbed the arts communities of the valuable time they took to respond. Like so many consultative efforts, the basic terms were highly questionable, and the outcome a betrayal of the public.

Disinvestment : Scotland PLC syndrome

Addressing the AGM of the Scottish Artists' Union in September 2008, MP and SNP Culture spokesperson, Pete Wishart, argued there was "consultation fatigue" and the need to move on from "sterile structural debate" to justify the subsequent lack of public discussion surrounding the rush to form Creative Scotland following its initial parliamentary rejection. But the Bill to form Creative Scotland didn't fail because of politics, but because the Scottish Government could not answer basic questions about the cost, function and purpose of the new body. Evidently, there is continued uncertainty about the powers, status and responsibilities of Creative Scotland. However, the Government seems determined to escape the sort of critical scrutiny that led to the

Bill being previously rejected. The formation of Creative Scotland is now being smuggled through as part of the Public Services Reform Bill, itself a disinvestment in public services set to cut the number of public bodies by 25% by 2011.

Culture Minister, Linda Fabiani, recently insisted of Creative Scotland: "We all want to get this up and running." After all the froth about cultural entitlements and rights, it is seemingly just a question of who pays the estimated privatisation costs of £7m to form Creative Scotland and the rest will take care of itself. In truth, this apparent urgency conceals a major ideological fault line between public and private provision in Scotland. And it is likely the £7m projected transition costs will pale into insignificance compared to the inevitable cost of running an organisation on a business model with staff recruited on a competitive market, rather than public service, basis.

This is a significant moment in arts organising in Scotland, marking a fundamental shift from public investment, towards the outright economic instrumentalisation of Culture by lashing it to an explicit agenda of neoliberal reform. The Non Departmental Public Body (NDPB) model of the Scottish Arts Council was always problematic, as frequently documented in the pages of *Variant*. But it is the whole ethos of turning provision away from a public body to set up a limited company and what this portends that needs to be questioned. In rewriting the very idea of public funding for the arts just what formal procedures for the assessment of Private Public Partnerships have there been? What independent research has been carried out and what guarantees are there that private provision will be cheaper than the existing model of public procurement for the same level of outcomes, not to mention more democratically accountable to its community base? At a time when the effects of marketisation could not be more discredited, what we are witnessing is a renewed wave of neoliberal restructuring with no real opposition of any substance from any quarter. The Scottish media is complicit in its silence.

Although we are told that the company "will [also] be given a 'statutory' function", this is probably mainly to ensure the retention of Lottery Fund distribution. Rhetoric aside, a company has obligations to deliver according to its memorandum of association, nothing else. What we have been told is that the company will be created, its board and CEO appointed and that it will then be left to determine its own functions. It will not be constituted as a charitable body. Alex Salmond, interviewed in *Total Politics* magazine, recently stated: "One of the reasons Scotland didn't take to Lady Thatcher was because of that [not having a strong social conscience]. We didn't mind the economic side so much. But we didn't like the social side at all." Rather than addressing these issues directly, which means above all a declaration of commitment to the public funding of the arts, they are simply being swept under the carpet. Is it because Salmond fears a backlash against the PLC syndrome? Just why is the Scottish Government ploughing ahead with an already rejected privatisation of contemporary culture in Scotland?

Creative Industries : Assault on Culture

Details remain hazy, but what we've been told so far is that Creative Scotland will receive the £50m grant in aid of the Scottish Arts Council and Scottish Screen. The Scottish Government announced an "additional" £5m in June for an Innovation Fund to support Creative Scotland over its first two years – a figure matching inflation. An estimated £100,000 currently provided by Scottish Enterprise to the Cultural Enterprise Office would also transfer to Creative Scotland as would its enterprise role.

Fabiani has said: "If formed, Creative Scotland

will add to the range of funding sources available to artists and creative practitioners. As well as grants, it will develop a wider portfolio of funding methods including loans and investments. ... Creative Scotland will offer specialised advice and information services for creative enterprises”.

In fact, rather than “consultation fatigue”, there has been significant activity behind the scenes to define Creative Scotland’s function, not least in the activities of the Creative Industries Working Group – a body comprised almost entirely of NDPB enterprise agencies – and a “Think Tank” facilitated by John Knell, Strategic Advisor to the Creative Scotland Transition Project.

Knell is the “lead investigator on a new £80k research project funded by NESTA [National Endowment for Science, Technology and the Arts] exploring interdisciplinary innovation”. Knell, joining Demos’s Charles Leadbeater, also wrote a treatise for Arts Council England’s ‘The 21st century programme’ on “organisational development”, “intended to influence [ACE] thinking and to help develop new practice.” Coincidentally, Knell was an “expert speaker” invited to contribute to the ‘Scotland: Creative Nation, Cultural Summit’ in February 2008, a three-day affair on the development of Creative Scotland. Leadbeater made an appearance in March 2008 at Culture & Sport Glasgow’s ‘Aye Write!’ festival to plug his new book ‘We-Think: the Power of Mass Creativity’, and appeared again as a keynote lecturer at Engage Scotland’s flatteringly titled ‘What do We-Think?’ conference in September. The reformers of Arts Council England have certainly been preparing the ground in Scotland!

But what is clear is that the Highlands and Islands Enterprise model of business support for creative enterprises, and collaborations with NESTA, are explicitly promoted. (NESTA was “set up with Lottery funding to help people turn bright ideas into products, services or techniques with social and commercial benefit”, and advocates its retention of patent rights for intellectual property resulting from publicly funded work and the wider exploitation of IPR.) In fact, NESTA’s definition of creative economy is lifted wholesale. The approach to culture, as might be expected, is one of “integrating cultural policy and economic concerns” and of fostering “a culture of informed risk”. Unambiguously: “Public support must therefore aim to increase levels of creative economy activity, in terms of enterprise and business model formation, and work at all times to ensure that an increased rate of creative ideation in Scotland leads to a tangible increase in the creative economy’s contribution to Scotland’s economic success.”

Rather than funding cultural producers, it seems determined to spawn a committee of vultures to service “creatives”. Producers will be the object for exploitation, leading to more of the vacuous training and development agendas artists are already familiar with. We have just discovered that the Scottish Arts Council has been tasked with exploring the replacement of artists’ grants with loans – a good job the Scottish financial sector is in sufficiently rude health! The Creative Scotland Taskforce’s Ray Macfarlane – Senior Director of Corporate Banking at Bank of Scotland before HBOS was rescued by Lloyds-TSB – may now have more time on her hands to advise. You would have to be naïve, reckless, or set to make a killing out of the additional financialisation of public services to contemplate throwing cultural provision, wholesale, to market precarity right now, given its thoroughly discredited and toxic state.

But then ‘The New Bohemia’ article warned of worrying similarities emerging between Glasgow’s Trongate 103 “cultural quarter” development and the demise of the Lottery-funded Lux Centre in London. It now comes to light that additional £1,500 service charges for each tenant have magically appeared for the upkeep of “communal” spaces; these charges may

well be bankrupting for some, especially when compounded by the fact that VAT is for the first time being introduced on rents, to say nothing of the five years lease time-bomb. As *Mute* magazine said of Lux, this too looks set to be another “instance of public money subsidising private gain in which the alibi of service rapidly succumbs to mismanagement and congenital unviability”.

Arts & Business (who court “creative partnerships between business and the arts”) lost a third of its grant in the last round of Arts Council England cuts, but didn’t want this to be seen as a “vote of no-confidence in business”. In Scotland, corporate welfare is getting a much softer ride. Arts & Business is inviting “organisations who deliver arts activity to make a pitch for sponsorship at a Dragons’ Den-style event”. The business sponsors (at £7,500 a time) and presumably judges, are Elphinstone, of Leith gentrification; ScottishPower, who just increased gas prices by a massive 34%; and Scottish Widows, who were recently accused of miss-selling pensions. “Three successful organisations will receive £15,000 each towards arts projects which help to divert young people (10-19 year olds) from becoming involved with crime and anti-social behaviour.” Arts & Business is in receipt of public funding of £600,000 over two years from the Proceeds of Crime initiative where “seized money and goods from crime are invested in community projects aimed at alleviating the effects of crime”. Arts & Business is explicit: “Engaging with the arts is a proven way for business to promote their services and goods.”

On the rescue takeover of HBOS by Lloyds-TSB, the *Guardian* reported that:

“Edinburgh’s arts scene also faces a period of unexpected austerity. Both HBOS and Lloyds-TSB – a bank itself created by the merger of Lloyds with another Scottish financial institution, the Trustee Savings Bank – are ‘essential players’ in sponsoring the city’s international festival, theatre and art galleries. The fear is that Lloyds-Halifax will slash its arts funding in parallel with its branches. ‘The festival will be concerned because the contribution from both banks is significant’, said one senior figure in Edinburgh’s arts scene.”

If the “arms-length principle” is maintained, as claimed, then what guarantees are there that Creative Scotland will support artists’ organisations that do not subscribe to the financialisation of culture? A private company is far less able to fully represent the public interest and properly protect our human rights in the cultural field.

“Sterile structural debates” are anything but sterile – they are about holding the Scottish Government to account.

Financial Mania & Systemic Risk

For the past decade and a half we have seen an unprecedented financialisation of the economy resulting from deregulation and neoliberalisation, and the spread of privatisation to previously unaffected areas. The increasing hegemony of this myopic economic outlook poses the single greatest threat to free expression and to liberal society today. These are the systemic factors which are poised to bear down upon free speech and meaningful cultural communication.

Corporations are legally mandated to do just one thing: make money. Creative Scotland, if allowed to go ahead, would mean the infiltration of our very speech and thought by the economic – that is, economically determined values and judgments about worth and appropriateness. But we are told by SNP Culture spokesman, Pete Wishart, that there is no alternative to the financial modelling of culture.

One would hope that the failed orthodoxy of the market as god is over, as flagrantly demonstrated by the ongoing financial global meltdown. It is evidently massively unstable, and it has come unstuck in a way that represents a woeful failure of institutional politics. The collapse of finance capital is not a blip – not when the most capitalist US administration ever decides to nationalise the two largest financial institutions the world has ever known. It is a significant warning.

It is time to stop corporate privilege, deregulation and privatisation of public services and to reflect on the kind of society we have become, and on the kind of society we want to be. It is time to dispel the myth that there is no alternative to this grossly unfair economic model. As the wheels come off the capitalist bandwagon, what further evidence is needed?

