

## **From austerity through Brexit to CV19: we need a franker discussion on how to rebuild around our creative industries**

***By Dr Jacob Salder, Alliance Manchester Business School***

In the absence of a Glastonbury Festival this year, I have this past fortnight enjoyed the BBC's Glastonbury retrospective. In particular, REM from 1999 caught my eye. This was principally nostalgia; I was in the crowd that night risking the throng of 100,000 people, although not so much the camping (an Aunt with a comfy sofa lived in Pilton in those days). My memory of the event illustrates how things have changed in the intervening two decades. Back then, I bought my festival ticket barely 6 weeks before the event. Compare that with the process these days, and you recognise the radical growth in demand we have seen for cultural events.

We saw this week the UK Government finally issue a support package for the Arts; a 'world-beating' £1.57bn. So, just under a quarter of the €7bn committed by French President, Emmanuel Macron. Issued in the form of principally loans, with a smaller amount for grants, this will come as some relief to a beleaguered arts sector, in both existential and literal crisis since Boris Johnson threw it under the bus in March when recommending people stop going to theatres.

The issues facing both arts venues and artists were covered articulately by my fellow CBS blogger, Bethan Tolley, last month [\[i\]](#). Bethan outlined the challenges faced by a sector where employment is often freelance, one of the key groups to be left to fall through the cracks by Government interventions accused of forsaking the self-employed. She also raised the question more broadly of why we continue to underestimate the value of the arts.

This question can well be echoed in response from the UK Government prior to this week's announcement. Culture Secretary Oliver Dowden at the end of June issued a five-point roadmap for the arts. It was a roadmap so vague and ambiguous most arts organisations were amazed he had the temerity to share a proposed phasing they had planned for since March. We revelled in being able to join friends in a pub, or sit in close proximity to complete strangers on newly resumed international flights. Meanwhile, Arts venues had to face the ignominy of not being closed so much, as being able to open but not put on any live performances. Which is akin to pubs reopening without the beer.

Failure to consider how best to support the arts – and more broadly the creative sector – raises a fairly stark lack of insight and realisation within Government. I know I shouldn't be shocked here. Comparative to the package in France, which provides guaranteed stipends for freelancers they refer to as '*intermittents*', we have looked poor. But then, the Europeans have always valued culture more than the British. But it more broadly shows a lack of insight considering how we plan for our recovery.

I will shortly have a paper published on arts and artists as small businesses in the Creative Industries Journal [\[iii\]](#). This research illustrates the complex networking processes of these organisations with high levels of creativity embedded in both their products and the process and method of their development and distribution. It also illustrates certain weaknesses within the industry: a limited capacity to capitalise on the potential value of these products, a need to broaden their financialising methods, and how the narrow support infrastructure in England contributes toward this lack of capitalising potential.

Perhaps more important however, is that the working practices of arts organisations illustrate a level of entrepreneurialism through which conventional businesses could learn some lessons, and ones which are more neatly aligned with the contemporary economy.

Alongside the arts rescue package, we have this week been further beleaguered with the slogan 'Build, Build, Build'. The soundbite to get us back on track following the crisis, all too predictably this was accompanied by another bonfire of the regulations. Local government and planning rules was the source of failure, developers – George Osborne's much vaunted 'wealth-creators' – our saviours.

Johnson's 'field of dreams' – where he builds it and they will come – is increasingly at odds with the realities of developing sustainable economies. State-based incentivisation for development has become considered bad practice, with longer term localised costs as communities are turned into vanity parlours for attracting developers<sup>[iii]</sup>. Even Conservative Peer Daniel Finkelstein has raised his concerns, instead arguing consideration of Richard Florida's thesis on the place-making role of the creative class<sup>[iv]</sup>.

It is of course no surprise the Conservatives should take this approach. With £11m donated to the party by property tycoons in the past year alone<sup>[v]</sup>, this illustrates their continued commitment to prioritising the interests of capital classes in an era when capital accrual has become an increasingly minority interest<sup>[vi]</sup>. But the alternatives look similarly unrealistic.

David Bailey's recent CBS blog spoke of the need for more ambitious forms of intervention to support manufacturing<sup>[vii]</sup>. In a manufacturing heartland such as the West Midlands, such calls play to the regional choir. Decline in this sector has however continued almost year-on-year. Any success in the automotive sector has become increasingly dependent on financialisation of the industry over depending on its productive capacity<sup>[viii]</sup>. The validity of supporting an industry so locked-in to unsustainable high churn practices in what will be an era of reduced consumption are questionable. This runs alongside a shift away from car ownership – and even the ability to drive – amongst young adults<sup>[ix]</sup>. In its current form, production industries such as automotive manufacturing are part of the old economy.

This all means we need to look beyond these conventional wisdoms to how we rebuild a citizens' economy following the triple-whammy of austerity, Brexit, and Covid-19. For this, I would argue we need to look beyond these conventional models prioritising either financiers or producers. We instead need to look to the changing nature of consumption, the changing forms of social values and interactions, and the continued ascension of not product or service but experience.

The shift toward populism seen over the past decade has been accompanied by renewed interest in the philosophy of Ayn Rand. Her principle of objectivism, epitomised in *Atlas Shrugged*, speaks of the indomitable will of the individual to drive change. This is often interpreted by neo-liberals as meaning the state is the enemy of liberty and its champion is the financier and businessman.

Rand's other major work was *The Fountainhead*, which to me offers an interesting revision of this philosophy. Again, the theme of a collectivist state seeking to nullify individual ambition was there, but alongside it was the appropriation and exploitation of those pursuing creative license by patrons of the free market, the financial or capital classes.

Here the Creative is positioned centre stage in not only the pursuit of individual expression but as the driving force for change. And here, the Creative and their will to experiment, to innovate, to see the world through a different lens, is the foundation of many forces on which contemporary economic development relies.

As a result we see demand for a great diversity of supporting industries and products emerge. Even considering low-level arts activities such as those I researched recently, development of their

products required input from specialists as diverse as coffin- and wig-makers, clinical psychologists, and molecular gastronomists.

The creative sector needs to start being seen as a core rather than supplemental element of the national – and global – economy. One which both responds to and stimulates consumer demand. One which supports diverse and specialist forms of artisan manufacturing. One which contributes toward capital accrual strategies through its hedonic influence. And one which is deserving of prioritisation through governmental support.

[i] <https://centreforbrexitstudiesblog.wordpress.com/2020/06/23/stop-underestimating-how-much-we-need-the-arts/>

[ii] Salder (2020) *The creative business: enterprise development in the arts-based creative industries*, *Creative Industries Journal* <https://www.tandfonline.com/toc/rcij20/current>

[iii] Susan Christopherson and Jennifer Clark (2007) *Remaking Regional Economies*, Routledge

[iv] <https://www.thetimes.co.uk/article/flaw-at-the-heart-of-boris-johnsons-big-idea-zjd9kvv82>

[v] <https://www.independent.co.uk/news/uk/politics/tory-party-property-developer-boris-johnson-conservative-donors-a9588381.html>

[vi] Thomas Piketty, *Capital in the twenty-first century*

[vii] <https://centreforbrexitstudiesblog.wordpress.com/2020/06/30/covid-19-the-economy-and-the-west-midlands-recovery/>

[viii] Marcelo do Carmo, Mario Sacomano Neto & Julio Cesar Donadone (2019) *Financialization in the Automotive Industry: Shareholders, Managers, and Salaries*, *Journal of Economic Issues*, 53:3, 841-862, DOI: [10.1080/00213624.2019.1646609](https://doi.org/10.1080/00213624.2019.1646609)

[ix] <https://info.uwe.ac.uk/news/UWENews/news.aspx?id=3754>